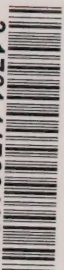


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CENTRAL MORTGAGE AND HOUSING CORPORATION

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CENTRAL MORTGAGE AND HOUSING CORPORATION

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Functions

A Federal Crown corporation, CENTRAL MORTGAGE AND HOUSING CORPORATION was incorporated by Act of Parliament in December, 1945, (R.S.C. 1952, c.46). The Corporation administers the National Housing Act, 1954, and earlier Housing Acts, and under its legislative authority is empowered to:

Insure mortgage loans made on new housing, by banks, life insurance, trust and loan companies;

Make mortgage loans on low and moderate-rental housing projects and to prospective home owners unable to obtain loans from private NHA lenders;

Determine lending values, prescribe minimum standards of construction and perform compliance inspections during construction for houses financed under NHA;

Buy or sell insured mortgage loans and make loans to trust and loan companies on the security of mortgages and debentures;

Provide guarantees to banks on loans made for home improvement, and guarantees to life insurance companies and private investors of returns from moderate-rental housing projects built by them;

Participate with provincial governments in the development of serviced land for residential purposes and the construction of housing projects and, on behalf of the Federal Government, with municipalities in the acquisition and clearance of areas for urban redevelopment;

Construct, own and manage housing projects on its own account and on behalf of Federal Government departments and agencies;

Encourage the development of better housing and sound community planning and conduct housing research and research on mortgage financing.

The improvement of housing and living conditions is regarded as the main business of CENTRAL MORTGAGE AND HOUSING CORPORATION and all its organizational effort is directed to this objective.

Highlights of the Year

More dwelling units were started and more were completed in Canada in 1955 than in any previous year. In urban areas of 5,000 population and over, where there is complete enumeration of housing starts and completions, starts increased by 8.4 per cent over 1954 and completions by 16 per cent.

Dwelling starts under the National Housing Act increased by 30 per cent, from 50,373 units in 1954 to 65,495 in 1955.

Lending institutions approved more mortgage loans in 1955 than in any previous year, commitments exceeding \$1,170.7 million. The major increase was in loans for new house building, 33.8 per cent over 1954. The banks alone were responsible for \$167.6 million of the total increase of \$214.9 million in institutional loan commitments for new house building.

The combined costs of residential building materials and wage rates of construction workers increased by 2.4 per cent over 1954. Land costs were also higher although the rise was much smaller than that which took place between 1953 and 1954.

The home improvement loan provisions of the National Housing Act, previously in force on a limited basis, were proclaimed generally throughout Canada and 24,705 loans totalling \$27.2 million were reported by banks.

The Corporation's operating profit for the year, after providing for income tax, amounted to \$1,449,788.05 as compared with \$892,938.88 in 1954.

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Central Mortgage and Housing Corporation

OTTAWA, CANADA.

March 9, 1956.

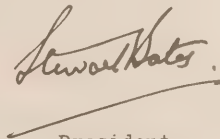
Honourable Robert Winters,
Minister of Public Works,
Ottawa, Canada.

Dear Mr. Winters:-

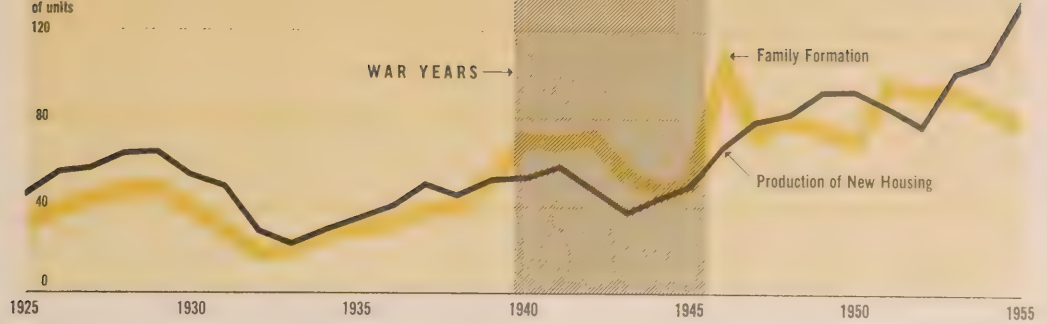
Pursuant to the Central Mortgage and Housing Corporation Act and the National Housing Act, 1954, I have the honour to submit a statement of the accounts and a report of the activities of the Corporation for the fiscal year ended 31st December, 1955. This being the Corporation's tenth Annual Report, it contains a brief historical review.

On behalf of the Board of Directors, I should like to thank the staff of the Corporation for continued support and efficient service during the year.

Yours very truly,


President.





Housing Production and Family Formation, 1925-1955

Canada's Housing 1946-1955

In the last ten years Canada has accomplished a gigantic task in housing its expanding population. Almost a million new homes have been built. They are to be seen in every town from coast to coast. Cities have been transformed by the growth of whole new communities on their fringes. In the new suburbs, with their new shopping centres and schools and churches, live nearly three million Canadians including a large proportion of the nation's children.

Before the war, house building had proceeded at the rate of only 38,000 units annually. Now more than 100,000 families are moving into new homes each year. The task has been accomplished through the enterprise of house builders, through the productive capacity of factory and mill, through the active participation of governments and through the efforts of more than 300,000 workers who are, in one way and another, engaged upon producing materials and in building homes for Canadian families. The funds for house building, more than \$8 billion in ten years, have come from the country's great financial institutions, its insurance companies and banks, supplemented by the personal savings of a multitude of individual home owners. Into the construction of housing have gone the resources of forest and mine, cut and processed and manufactured for assembly on the site.

The Canadian people have shown an unmistakable preference for the single detached house as a place in which to raise a family and to spend leisure time. The possession of a house and a piece of land has been an aspiration and a motive in life. Fortunately the earning power and the productive capacity of the nation have made it possible for a new generation of Canadians to realize this desire. About 70 per cent of new housing has been in the form of home ownership.

But the provision of 1,000 square feet of living space, preferably all on one floor, together with space for the family car, requires much land. One acre of our modern suburbs now accommodates little more than four families on 50-foot lots.

This surging demand for living space has consequently placed a severe strain upon the whole framework of community organization. The suburbs have spread far beyond the boundaries of cities and so the task of providing schools and streets and sanitary services has been placed upon municipalities that had little previous experience and few resources for this purpose. In these areas no community planning had been done in advance of the tide of suburban growth. It is not surprising that the new suburbs bear the marks of improvisation and lack some coherence of design.

While the suburbs have been spreading their fingers into the surrounding countryside, many changes have come upon the existing housing in the interiors of cities. In old residential districts some houses have been replaced by apartment buildings and many have been converted to boarding houses and other uses. From a whole century of house building, Canadian cities have inherited a stock of housing which is caught in the relentless process of deterioration and obsolescence. The process of decline has been quickened by the growth of cities. New demands have been made upon the hearts of urban areas with increasing traffic, growing commerce and a changed pattern of living. But during the last ten years the prior need to build new suburbs did not permit any concerted action to conserve and replace the existing stock of the nation's housing.

During the past decade the scene changed from year to year presenting new facets of the housing task and offering new problems to be solved. Immediately after the war the shortage of housing had reached a crisis brought about by a rapid increase in marriages and births following upon a long period of limited housing production. First to be considered were returning veterans, many of them with wives from overseas. More than 30,000 rental houses were built by government agency for veterans' families and veterans were given priority also on more than 20,000 houses built by private enterprise. Another post-war problem was the shortage of supplies. Before industry was fully converted to its peace-time task, housing was held up by lack of supplies of furnaces, bath-tubs and nails; the supply had to be rationed. In a later period, as the whole housing programme gathered momentum, the most pressing problems were in winning for housing its share of funds for investment. These difficulties took two forms. On one hand municipal governments, faced by extraordinary expenditures for schools, traffic arteries and main water and sewage plants found it difficult to finance the installation of the local services on which houses depend. This difficulty has been partly overcome by incorporating the costs of local services in the prices of houses. The other financial problem has been in securing an ever larger source of mortgage funds during a period of massive capital investment in the country's industries and resources. The Federal Government has adapted its policies to these changing circumstances and introduced measures to maintain a balance between the needs for shelter and the other requirements of the national economy.

Throughout the period, Parliament approved measures to aid housing enterprise, through the agency of Central Mortgage and Housing Corporation,

established in 1946, and through the terms of the National Housing Acts. The most important contribution of the national legislation has been in eliciting a steady flow of mortgage funds, at first through Federal sharing in loans made by insurance companies, and since 1954 through the system of loan insurance which enabled the commercial banks to contribute some of their great resources.

While only about a third of all housing built during the period has received some kind of Federal support yet this provided the essential solid foundation on which the house-building industry has been raised to its present dimensions. The long-term mortgage, the low interest rate and the small down-payment gave firmness to the market for modestly-priced houses. The Government's acceptance of the ultimate mortgage risks through a system of guarantees, insurance and direct lending provided security to housing investments. The National Housing Act building standards have established a consistent quality of construction and housing space. Out of these conditions have emerged many operating organizations which are now able to undertake housing projects of considerable size. Though mass production of housing may, in its early stages, display some of the objectionable features of uniformity yet the industrialization of house building will ultimately bring great benefits of price and quality.

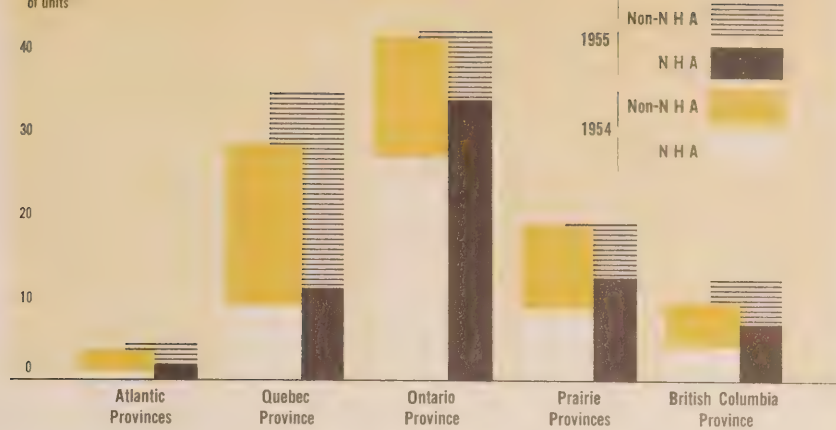
Following upon a long period of low housing production, Canada entered upon the past decade without the benefit of a substantial housing industry and without public administrations skilled in the arts of community building. Initiative and improvisation were required to produce an accomplishment impressive in its dimensions if not distinguished in its design. Out of the experience of these years has come a widening appreciation of the partnership of public and private enterprise in the whole process of urban growth and change. So the next decade starts under very different circumstances. The housing industry has grown to a new stature, competent to produce not just individual houses but whole neighbourhoods. Local governments have made great advances in acquiring skilled staffs to plan in advance for the next wave of urban growth. And, in response to unfolding new requirements, the national housing legislation has been broadened to provide a great diversity of instruments to aid Canadians in acquiring the kind of housing they want.

To conduct a housing programme which will bring a share of benefits to every sector of the population requires public appreciation of the problems involved. In Canadian cities there are now some expressions of concern for the housing conditions of low-income families and old people. Citizens' organizations and public bodies are already taking the initiative to attack a new frontier of housing in the obsolete interiors of cities. The future holds promise that the housing industry will now be able to take in its stride both the addition of new suburban areas and also some new and more difficult tasks. The redevelopment of cities and the building of homes for those who are not within the present economic market will undoubtedly be a major subject of public discussion during the coming years. This will present a new challenge to the ingenuity of those who are engaged in housing affairs.



Winnipeg, Manitoba

National Film Board Photo



Urban Housing Starts, 1954 and 1955

New House Building, 1955

The year 1955 was a remarkable one for new house-building activity in Canada. A total of 97,305 dwelling units were started in the urban centres of 5,000 population and over, where there is complete enumeration of housing starts. This represents an increase of 8.4% over 1954. In the smaller centres and rural areas, sample data indicate 40,971 starts, bringing the total for the whole country to 138,276 (*CHS*-Tables 1 and 7)¹.

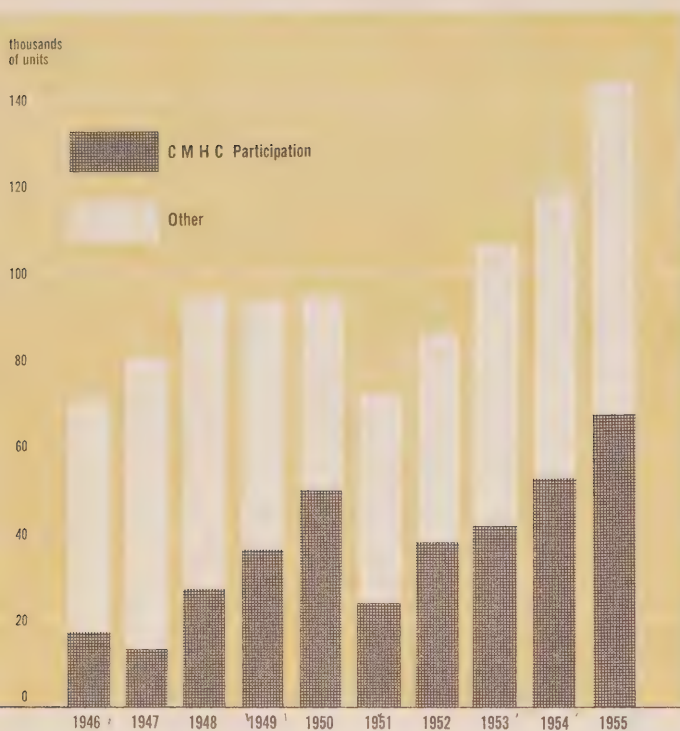
During 1955, 93,496 dwelling units were completed in the centres of 5,000 population and over, an increase of 16% over 1954. Completions in the rest of Canada, estimated at 34,056 units, brought the national total to 127,552. For both years, the totals exclude some 4,300 dwelling units which resulted from the conversion of existing property into additional dwelling units. The 1955 completions' figure is the highest of any year to date (*CHS*-Tables 1 and 8).

At the end of the year there were 79,716 dwelling units under construction, an increase of 11,075 units over the comparable 1954 figure (*CHS*-Table 1).

Starts on dwelling units financed under the National Housing Act, the majority of which were in urban areas, were 65,495 in 1955, an increase of 30% over the 1954 total of 50,373 units, demonstrating a wider use of the provisions of the Act (Tables 1, 2 and 3)².

¹ All references to "*CHS*" are to *Canadian Housing Statistics*, 4th quarter, 1955.

² All references to "Tables" are to tables in this report.



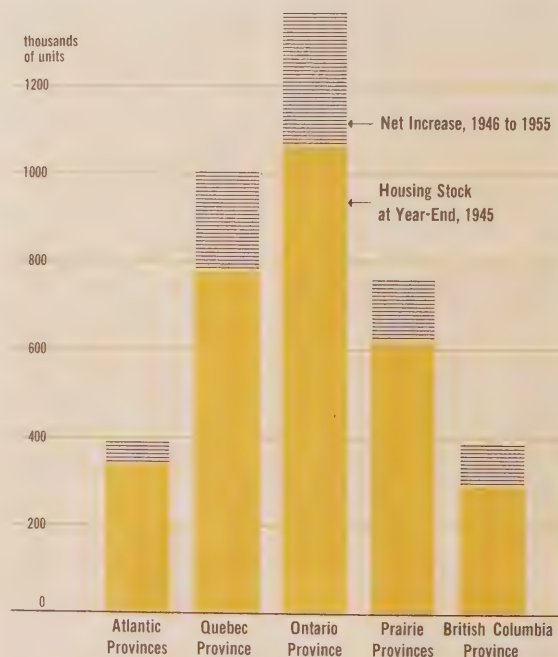
Housing Starts, 1946-1955

One of the objectives of the National Housing Act, 1954, was to ease the terms on which loans could be obtained. Down-payment requirements were reduced and longer amortization terms were made available. Marked increases in personal incomes accompanied by a steady level of prices for consumer goods made the Act more effective in 1955. Conditions were favourable to meeting demand as mortgage funds were in plentiful supply. The banks had ample cash resources during most of the year and, as new participants in mortgage lending, they were building up their mortgage portfolios both for retention and for eventual sale.

Lending institutions approved more mortgage loans, conventional and NHA combined, in 1955 than in any previous year. Their commitments for the 12 months were

in excess of \$1,170.7 million, 30.9% more than in 1954, the big increase being in loans for new house building. The banks alone were responsible for \$167.6 million of the total increase of \$214.9 million in institutional loan commitments for new house building between 1954 and 1955. Institutions other than the banks were also called upon to provide more money for mortgages on existing residential property, the construction of commercial and other non-residential property and for other purposes. Despite these other demands, loan commitments for new house building totalled \$850.1 million, 33.8% more than 1954 (*CHS*—Tables 17 and 18).

There was a substantial increase in the demand for building materials resulting from the large volume of house-building activity, increased export demand and, in the second half of the year, an increasing volume of non-residential construction. Despite increases in production,

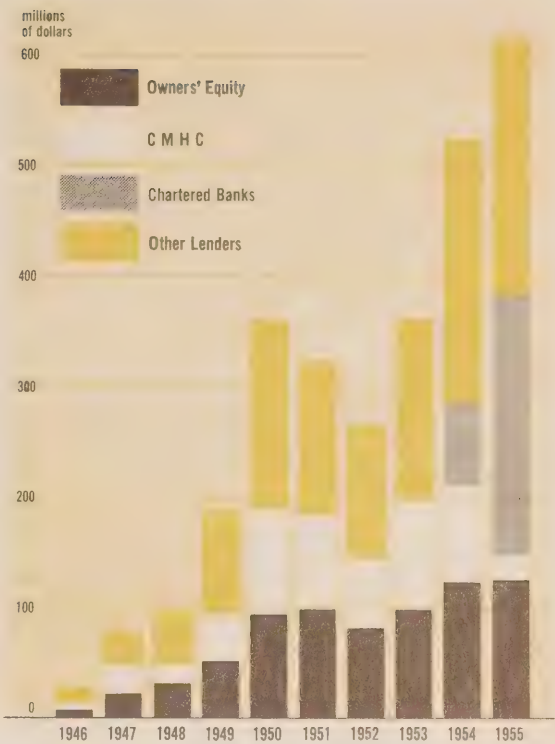


Housing Stock, 1945 and 1955

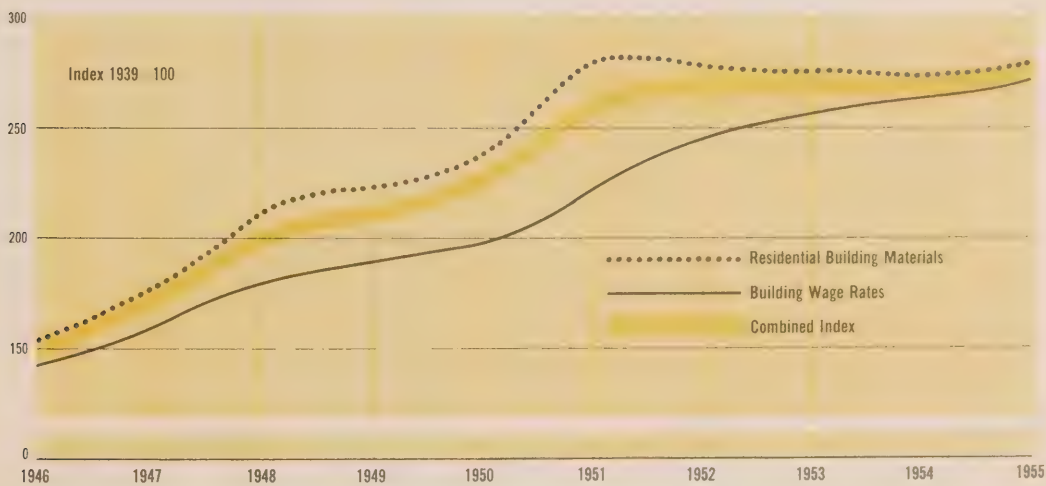
there were shortages of steel, cement, gypsum products and certain types of lumber. While these shortages created difficulties, they did not seriously impede house-building activity. There was a moderate increase, 2.1%, in the prices of residential building materials, continuing the upward trend of the last half of 1954. With a 2.8% increase in the wage rates of construction workers, the increase in material and labour costs, combined, was 2.4% (CHS—Table 48).

Land costs were higher in 1955 than 1954, although the rise was very much smaller than that which took place between 1953 and 1954. The average price of lots used for single-family dwellings financed under the National Housing Act went up from \$1,687 in 1954 to \$1,819 in 1955. This rise took place despite an increase in the proportion of unserviced land used for new house building in 1955.

Although housing demand continued at a high level and costs increased moderately, the prices of houses sold by builders operating under the National Housing Act remained fairly stable throughout the year.



Investment in New Housing through the National Housing Acts, 1946-1955



Residential Construction Costs



Toronto, Ontario

Copyright: Photographic Surveys



Montreal, Quebec

Copyright: Photographic Surveys

Report of Operations, 1955

In 1955, activity under the National Housing Act reached the highest point ever recorded in the history of Canada's national housing legislation. Undertakings-to-insure and loan commitments were issued by the Corporation for 65,336 dwelling units, an increase of 30.4% over the 1954 total of 50,119 units. The aggregate amount of loans approved was \$615.3 million an increase of 35.7% over the 1954 amount of \$453.5 million (Tables 4 and 5).

On February 1 the Government discontinued the sale price provision on loans to builders. Prior to that date a loan to a builder was approved at the full amount obtainable but was reduced by 10% if the sale price of the house exceeded an amount established by the Corporation. Generally, actual sale prices showed little change following discontinuance of the sale price provision.

Effective February 17, maximum interest rates were reduced by Order-in-Council by one-quarter of one per cent. A maximum rate of $5\frac{1}{4}\%$ was set for home-owner, co-operative, home conversion, farm, rental housing, home improvement and home extension loans, $3\frac{1}{2}\%$ for loans on limited-dividend rental housing and $4\frac{1}{2}\%$ for employee-rental housing built by primary industries. Early in May, some lenders lowered their rates on insured mortgage loans by a further one-quarter of one per cent and this voluntary reduction was followed by most of the other lenders. The reduced rate of 5% prevailed until the last quarter of the year when most lenders reverted to the allowed maximum of $5\frac{1}{4}\%$.

On February 1, the home improvement loan provisions of the Act, previously in force on a limited basis, were proclaimed generally throughout Canada.

LOANS, GUARANTEES AND SALE AGREEMENTS

Insured Mortgage Loans

During the first quarter of 1955 the life insurance companies approved the majority of loans under the Act. In the second quarter, lending by the banks increased and, by September, the banks had surpassed all other lenders in the number of housing units to be financed by insured mortgage loans. For the full year, the banks approved 52.7% of these units, life insurance companies 41.2% and other lenders 6.1% (CHS—Table 24).

The year's total of 65,336 housing units was made up of 43,806 units (67.0%) to be constructed by builders for sale to home owners, 12,929 units (19.8%) for home-owner applicants, and 8,601 units (13.2%) for rental (CHS—Table 27).

There was little demand for insured mortgage loans on houses to be converted into multiple-family dwellings and practically no demand for loans for the construction of houses on farms.

One-storey houses, generally referred to as bungalows, continued to be the most popular type in 1955. They comprised 86.4% of all single-family dwellings; one and one-half storey and two-storey houses again declined in popularity and there was further indication of a trend towards the split-level type of house (CHS—Table 28).

There was no change in house-size as compared with 1954, the average being 1,102 sq. ft. in 1955. Construction costs increased slightly in 1955, averaging 1.8% over 1954 costs. Average land prices increased by 7.8% over the previous year and for home-ownership dwellings, land comprised 14.2% of the total costs as against 13.4% in 1954 (CHS—Table 51). The growth of housing projects on the perimeter of urban centres is exceeding the rate of expansion of normal municipal services. Thus a higher percentage of homes financed under the Act are equipped with septic tanks, failing the usual sewer services. The proportion in 1955 was 25.6%, an increase from the 19.3% of the previous year.

Under the Act the Corporation is required to establish valuations for houses financed by insured mortgage loans. Loans are based on these valuations and may be up to 90% of the first \$8,000 of Corporation value plus 70%

of the remainder subject to maximum amounts prescribed by regulation. The average loan in 1955 was 83.4% of the average Corporation valuation compared with 82.1% in 1954. As sale prices showed reasonable conformity with valuations established by the Corporation, the average down payment in 1955 was about 16.6%.

There was little change in the ratio of mortgage payments plus municipal taxes to home-owner incomes, the average being 18.6% (18.2% in 1954). The average age of owners was 33.8 years (33.6 years in 1954) and the average income was \$5,207 (\$5,065 in 1954) (CHS—Table 32).

Loan limitations in force throughout 1955 allowed \$8,000 for houses of 750 square feet, increasing by \$9.00 per square foot for larger houses up to a maximum of \$12,800. This scale provides for the full "90% + 70%" formula on houses of required size with valuations up to \$16,000. These limits appeared satisfactory in 1955 as only 5% of all loan submissions were reduced by the maximum loan regulations. In general, loans reduced were for houses costing more than \$16,000.

At the year-end the Mortgage Insurance Reserve Fund amounted to \$11.8 million against a contingent liability of \$529 million. No claims have been made against the fund.

The 1954 Act provides for the purchase of insured mortgages, as investments, by persons and groups other than approved lenders. Mortgages are bought from approved lenders but administration, on behalf of the purchasers, is continued by the lender. During the year there was further development of this market for mortgage "paper" and 1,711 loans totalling \$16.9 million were sold, bringing the total sales to 1,773 loans for \$17.5 million. Pension funds comprised the most important segment of the purchasers in 1955, investing in 1,452 loans totalling \$14.2 million (CHS—Table 33).

Joint Loans

At the year-end the Corporation's outstanding share of joint loans made under earlier housing acts totalled \$257.6 million on 139,650 loans. Of these, 212 loans, representing .15% of the total, were reported three months or more in arrears. During the year action was taken by

lenders to realize on the security of four properties through foreclosure or similar proceedings.

The Government's contingent liability on joint loans at the end of 1955 totalled \$58.1 million. There were no losses on joint loans during 1955. Profits on the realization of the security for defaulted joint loans, together with recovery of losses paid in previous years, amounted to \$3,542.37.

Corporation Loans

Nine loans to limited-dividend housing companies were approved during the year for 1,419 rental units, including 400 units for rental to personnel of the armed forces. The aggregate amount of the nine loans was \$9.9 million.

Since 1953, ten projects comprising 1,319 units for occupancy by members of the armed forces were approved. At the end of the year 688 of these units were completed, 431 were under construction, and 200 units remained to be started.

One loan for 40 rental units, in an amount of \$249,575 was made to a primary industry, a lumbering company.

Because of increased coverage provided by lenders there was little demand for other Corporation loans. Mortgage financing was provided for 15 co-operative groups totalling 205 dwelling units, 476 completion loan commitments to veterans building under Part II of the Veterans' Land Act, and 14 loans to home-owner applicants (*CHS*—Table 25).

At the year-end 6,789 loans made by the Corporation were outstanding in the amount of \$167.5 million. Of these loans, 18 or .27% were in arrears for three months or more.

Rental Guarantees

Rental guarantees were approved for two projects of 20 units financed by a life insurance company under the Act (*CHS*—Table 22). A summary of rental guarantees since the inception of the plan in July, 1948, follows:

	July, 1948, to End of 1954		1955
Number of dwelling units covered by rental guarantees at end of period	19,760	21,195	
Aggregate of first year's rental guarantee at end of period (\$000)	15,316	16,588	

Claims paid during period (\$)	19,590	38,477
Reserve for guaranteed rentals at end of period (\$000)	1,443	1,660

Home Improvement and Home Extension Loans

Following general proclamation of Part IV of the Act, the volume of loans made by the banks rose sharply from month to month. During the year 24,705 loans totalling \$27.2 million were reported bringing the total to date under the 1944 and 1954 Acts to 24,781 loans for \$27.4 million (Table 6). The amount outstanding at the end of the year was \$23.1 million and the Government's liability was \$1.3 million. Seventy-five loans were reported in arrears for 60 days or more at the year-end. No losses have been paid in respect of home improvement or home extension loans made under the 1944 and 1954 Acts.

Sale Agreements

A total of 30,786 accounts resulting from the sale of Corporation rental houses to individuals on a deferred payment plan were under administration at the end of the year and of these, 82 were in arrears for three months or more. Two agreements were cancelled during the year because of default in payment and the houses were resold without loss to the Corporation.

Construction Standards and Inspections

During the period of construction of dwellings financed under the National Housing Act, the Corporation is required to make at least four inspections to ensure that the work is carried out in reasonable conformity with the plans and specifications and in accordance with the standards of construction prescribed by the Corporation. Over 500,000 inspections were made during the year and an expansion of inspection staff was necessary to keep pace with the heavy volume of construction.

A special on-call service was introduced to assist builders with construction during the winter. On request, inspections were carried out immediately for early stages of construction to enable builders to close-in building foundations quickly and prevent damage by cold weather.

The quality of construction improved noticeably in some areas over 1954. On the average, major infractions occurred in about 2% of the total units inspected.

The minimum building standards of the Corporation for houses financed under the Act were constantly under review and a revised publication covering the construction of one and two-storey dwellings was issued and became

effective in November. Building standards governing the construction of apartment buildings were also reviewed and a new publication was in preparation at the end of the year.

PUBLIC HOUSING

Housing Redevelopment

Grants to two municipalities to aid in the acquisition and clearance of substandard areas for redevelopment in low or moderate-rental housing projects were approved by the Government.

A grant of \$1,839,937 to the City of Toronto was approved for the acquisition and clearing of 26.53 acres of blighted land in the area known as Regent Park South. The cleared land will be sold to the Federal-Provincial partnership for construction of a subsidized rental housing project of approximately 730 dwelling units. Payment of the grant will be made progressively as the city acquires and clears land.

Prior to 1955, grants to the City of Toronto totalling \$1,362,000 had been approved to assist in the redevelopment of the Regent Park North area of 42 acres and at the end of 1955, \$1,207,271 had been paid to the city leaving a balance of \$154,729. New dwellings completed by the city on the cleared site for rental to families of low income totalled 1,169 at the end of the year and an additional 120 units were under construction.

A grant of \$15,000 to the City of St. John's, Newfoundland, was approved for the acquisition and clearing of a substandard area of about five acres. This redevelopment project will provide land for the construction of a Federal-Provincial low-rental housing project of 46 dwelling units.

There was growing evidence of a greater municipal interest in the development of orderly programmes for the clearance of blighted or substandard areas.

Federal-Provincial Projects

Agreements were made during the year for four Federal-Provincial land assembly projects involving the develop-

ment of 566 lots, and four rental housing projects for the construction of 974 dwelling units (Table 7).

Projects resulting in lots for sale are administered so as to recover the outlays of the Federal-Provincial partners, with interest. At the end of 1955 agreements were in effect for 13,474 lots in 41 projects. Of this total, 12 projects, 1,884 lots, were completed and 25 projects, 9,424 lots, were under development. Four projects, 2,166 lots, were authorized but not yet started. Steps have been taken to acquire some 5,000 acres of vacant land for future development and sale.

At the end of 1955 agreements were in effect for 45 rental housing projects totalling 5,408 dwelling units. Of these, 2,976 units were completed and 92 units were under construction. Five projects were authorized but not yet under construction. Of the total units under agreement at the end of the year, the full investment of the Federal-Provincial partners will be recovered on 3,019 housing units. The long-term amortization, up to 50 years, and low interest rates result in moderate rentals. Applicants for these housing units declare their incomes and only those earning from four to six times the rental are eligible. Tenants' incomes are reviewed annually.

For the other 2,389 dwelling units authorized to the end of 1955, rentals vary with the income and composition of the tenant family. Of these, 1,622 dwellings were completed and occupied at the end of the year. The average deficit per unit per month sustained in the operation of the dwelling units was about \$15, the Federal share being about \$11.

Construction operations under Federal-Provincial agreements decreased with 122 dwellings started and 197 completed as compared with 282 and 695, respectively, in 1954. At Hamilton work was started on the removal,

relocation and repair of the first 45 houses in a 450-unit war workers' project. Near the end of the year tenders

were called for construction of the first 496 housing units in the 1,080-unit Lawrence Heights project in Toronto.

REAL ESTATE ADMINISTRATION

The Corporation manages real estate acquired from various sources. Included are houses built by Wartime Housing Limited and by Housing Enterprises of Canada Ltd., veterans' rental houses constructed by the Corporation, defence workers' houses purchased under guarantees to builders, the Laurentian Terrace in Ottawa, and unsold properties in the Town of Ajax, Ontario, and the Local Improvement District of Gander, Newfoundland (Table 8).

Property Management

A summary of rental properties under management in 1955, with comparative figures for 1954, follows:

	1955	1954
Number of dwellings under management		
At beginning of year	17,642	18,256
At end of year	16,575	17,642
Rental Revenue		
Total (\$000)	8,505	8,526
Per unit (\$)	497	474
Maintenance Expenditures		
Total (\$000)	1,247	1,140
Per unit (\$)	73	63

Rental arrears at the end of the year amounted to \$23,117, representing .27% of total rentals payable. Of this amount \$19,451 was arrears of one month only.

Payments in lieu of taxes on Corporation-owned houses were made to municipalities in the amount of \$1.5 million.

There were 46 fires reported resulting in repair costs of \$7,067, an average fire loss of 41 cents per unit.

During the year 1,822 vacant housing units were allocated for rental to qualified applicants on Corporation waiting lists. Although veteran demand for accommodation fell off in a number of localities, the proportion of housing units occupied by veterans remained steady at 95%.

The construction of 50 housing units in Pembroke, Ontario, was completed and the units were taken under

management for rental to employees of Atomic Energy of Canada Limited.

The Corporation continued to act as agent of the Department of Defence Production in the supervision of 65 rental housing units constructed for defence workers at Sorel, Quebec, and 50 units at Renfrew, Ontario. Local management is provided by the defence industries.

Sale of Rental Houses

Prior to 1955 a total of 39,835 Corporation-owned houses were offered for sale and 37,365 were sold for a total amount of \$140.2 million. In 1955 an additional 3,357 housing units were offered for sale and 1,152 houses were sold for an aggregate price of \$5.1 million.

When rental housing is offered for sale the tenants are given first priority to purchase the houses they occupy. Those who do not wish to buy may remain as tenants of the Corporation. Houses becoming vacant are held for sale to veterans of World War II and the war in Korea.

Ajax Development Project

The residential, commercial and industrial growth of Ajax continued throughout 1955. A total of 12.7 acres of industrial land was sold and industries constructed and occupied 51,842 square feet of space. At the end of the year 1,800 workers were employed in 43 industries. The Corporation also sold 771 feet of frontage in the commercial area and 48 fully-serviced residential lots.

An expansion of facilities and services was carried out. Four contracts were under administration at the beginning of the year and 12 additional contracts were awarded. Work remained to be completed on four contracts at the year-end.

Gander Townsite

Development of a townsite adjacent to the airport at Gander, Newfoundland, was continued by the Depart-

ment of Transport and the Corporation. The Department of Transport is responsible for the design and installation of municipal services while the Corporation's activities include townsite planning, sale of residential and commercial land, construction and administration of rental housing for Federal Government employees, and mortgage lending operations.

To the end of 1955 a total of 340 fully-serviced residential

lots were made available and 547 were sold or committed for sale. All serviced commercial land has been sold or optioned. Thirty housing units under construction at the end of 1954 for rental to Federal Government employees were completed and a contract was awarded for the construction of an additional 116 units. Privately-built homes, completed or nearing completion at the end of the year, numbered 113.

HOUSING RESEARCH AND COMMUNITY PLANNING

The Corporation continued to conduct and sponsor development and research activities in housing and related fields and during the year \$489,530 was spent, including \$141,741 paid to universities and Government agencies (Table 9).

Economic and Related Research

The collection and analysis of information in the housing and associated fields aid the formulation of Corporation and Government policy. The publication of the results of such work also serves to inform the general public, particularly those engaged in activities related to the housing and mortgage markets.

Continuing studies were made of the volume and the factors affecting activity in house building and mortgage lending. From 1946 to the end of 1954, the Corporation published a quarterly report entitled "Housing in Canada" which brought together the more important statistical information related to its economic research. This publication was replaced in 1955 by a new quarterly report entitled "Canadian Housing Statistics".

An annual review of mortgage lending activity, "Mortgage Lending in Canada", was published in 1955 while the results of two annual surveys of the outlook for house-building activity were incorporated in the White Paper on "Private and Public Investment in Canada, Outlook, 1955" and the subsequent mid-year review.

In addition to continuing studies, longer-term studies were also in hand during the year. Estimates of activity in the mortgage market covering the period from 1926

onwards were further advanced. These estimates comprise such items as the total mortgage debt outstanding on different types of property and for different types of borrowers and lenders.

A survey was undertaken of vacancies and rents in apartment dwellings in nine of the larger urban areas in Canada. Toward the end of the year the Corporation undertook several studies for the Royal Commission on Canada's Economic Prospects, including estimates of house-building activity over the next 25 years.

Since 1948 the Corporation has co-operated with the Bureau of Statistics in surveying the number and type of new dwellings started and completed in Canada by month and locality. The information from this survey is basic in any consideration of housing matters and being of wide general interest is published monthly by the Bureau under the title "New Residential Construction".

Building Research

Laboratory and related technical research with house-building materials and techniques is conducted for the Corporation mainly by the Division of Building Research of the National Research Council. Assistance with problems arising from the use of wood and wood products, including adhesives and other fastenings, is provided by the Federal Forest Products Laboratories. The testing laboratories of the Department of Public Works and the Mines Branch of the Department of Mines and Technical Surveys assist with the assessment of paints, protective coatings and industrial minerals intended for use in housing.

The further development, by the Canadian Government Specifications Board and the Canadian Standards Association, of performance standards and specifications for building materials and equipment and methods for their application, continued to be encouraged by the Corporation's active participation in the work of a number of committees established by these groups. A substantial number of building material specifications have been developed by these boards at the request of the Corporation to fill its needs and those of producers.

The results of such technical research and standard specifications' work enable the Corporation to adjust its building standards to permit all possible use of newly-developed products and building practices.

The acceptability of building materials and systems for use in housing financed under the Act or built under the supervision of the Corporation is determined through investigations of test data, examination of representative samples and observations of performance. The ability of non-conventional building systems to perform at least as well as the conventional is also determined by assessment of structural designs, reports of testing, methods for erection and knowledge of performance under normal conditions of service in the field.

The number of submissions to the Corporation for acceptance in housing financed under the Act continued to increase. Acceptances issued in 1955 included 20 for prefabricated and other building systems, 170 for brick and blocks or masonry units, 26 for structural parts, 30 for interior and exterior wall finishes and 15 for insulation. The total for the year was 444 as compared with 237 in 1954, 117 in 1953, 151 in 1952, and 58 in 1951.

Community Planning and Housing Design

Expanding National Housing Act participation in the continuing growth of Canadian cities placed greater accent on the community planning responsibilities of the Corporation under the 1954 Act. These responsibilities include the review of the layout of residential subdivisions involving housing loans under the Act and encouragement to training and research in the community planning field.

While the jurisdiction over community growth is entirely a municipal and provincial responsibility, the Corporation

as insurer or lender has interests also in residential construction. For this reason, the Corporation requires every developer proposing 25 or more NHA dwelling units on a single tract of land to submit a site plan and a sketch showing the community context. To expedite the scrutiny of preliminary layouts, the Corporation appointed additional planning staff to its regional offices in 1955. Over 100 large subdivisions comprising some 46,500 residential lots were examined and accepted for housing loans during the year.

To encourage Canadians to enter professional fields related to community planning, sixteen grants to persons at five universities were approved by Government for advanced study and teaching. Corporation officers have joined with builders, practising town planners and teachers of planning in efforts to recruit more candidates for this important service and also to explore the fields of research in urban development.

During the year a report was published and distributed dealing with the establishment of frontier towns built around isolated enterprises. A report of an experimental study of the survey techniques of local housing conditions and needs was also published and distributed.

Public information as to the issues involved in orderly planning was facilitated by a grant to the Community Planning Association of Canada. This Association publishes two periodicals unique in their field in Canada and embraces some 1,729 municipalities, firms and individuals as members. They are organized into a division in each province and the regional offices of the Association have become central points for non-technical information and discussion on community planning.

The books of small house designs distributed by the Corporation continued to be popular with the public. These books illustrate houses designed by registered architects and working drawings of the designs are sold by the Corporation for \$10. Sales of working drawings during the year totalled 12,374 sets. It is estimated that more than 10% of all single-family dwellings built during the year were from these designs.

Because it is the intention to issue a new and revised series of books during 1956, a further invitation was given to architects to submit new designs. There was a wider response to this invitation with 84 architects submitting

plans in 1955. Twenty-one new designs were accepted from these submissions.

For the past three years the Corporation has provided financial aid, under grants approved by Government, to an experimental scheme for the training of architectural students in housing design and construction. Under this scheme students at the School of Architecture of McGill University and the Ecole des Beaux Arts work in shops in the Montreal Building Trades Apprenticeship Centre.

Apart from its responsibilities under the National Housing Act, the Corporation undertakes planning and housing design as part of its general housing operations. The Corporation made designs and joined in consultations in 1955 with respect to the layout of new towns and major housing sites for a number of Government departments and agencies. Conspicuous among many such sites for the Department of National Defence were Gagetown, New Brunswick; Cold Lake, Alberta, and Petawawa, Ontario. Plans were made for the Department of Transport at Gander, Newfoundland, and substantial additions were developed for Atomic Energy of Canada Limited for the village of Deep River, Ontario. For the Department of Northern Affairs and National Resources advice was tendered with respect to townsites at Whitehorse, Yukon; Frobisher, Baffin Island, and Aklavik, District of Mackenzie.

The Corporation continued to develop housing designs for projects being built for Government departments. For the Department of National Defence plans have been developed for housing which can be converted to barracks should the need arise, and special plans were designed on behalf of the Department of Fisheries for use at Valleyfield, Newfoundland. In addition architectural firms were

retained to develop designs for Government-owned housing and for Federal-Provincial projects.

Information Services

To encourage wider public interest in the subject of good house design the Corporation showed travelling exhibits at exhibitions and home shows in Vancouver, Kamloops, Edmonton, Regina, Fort William, London, Toronto, Ottawa, Sudbury and Montreal. A panel exhibit on small houses and their furnishings was again loaned to the Western Canada Allied Art Circuit for showings at libraries and galleries.

A leaflet outlining the home improvement loan provisions of the National Housing Act was issued early in the year.

In addition to the series of house design books, a booklet on the maintenance of landscaping, a dictionary of house-building terms, and various farm publications dealing with kitchens and utility rooms, house planning and remodeling, the treatment of water supplies and water and sewerage systems, were distributed as educational material. Work on a new booklet entitled "Choosing a House Design" neared completion at the end of the year.

To meet requests the Corporation continued its "Newspaper Feature Service" which provides house design illustrations for newspapers and other publications. This service was used by 92 English-language and 44 French-language publications.

The Corporation sponsored an Ajax exhibit at the 1955 Canadian International Trade Fair and published a new brochure explaining the advantages of Ajax to industry.

CONSTRUCTION FOR GOVERNMENT DEPARTMENTS AND AGENCIES

As an agent, the Corporation carried out construction of schools and married quarters for the Department of National Defence and Atomic Energy of Canada Limited (Table 10).

At the beginning of the year 699 housing units for

armed services personnel were under construction and 264 were under contract but not started. Contracts for 2,012 units were awarded, 1,492 units were started and 911 units were completed. At the end of the year 1,280 units were under construction. To the end of 1955 a total

of 12,604 housing units had been constructed for the Department of National Defence and arrangements were under way for an additional 2,706 units.

Work has started on the Camp Gagetown project with site clearing and the installation of services well under way at the year-end. Contracts were let for the construction of 265 housing units and an 18-room school. Tenders were received and under review for a further 215 housing units.

Forty-three contracts for school construction required

by the Department of National Defence were awarded prior to 1955 and work on 31 contracts was completed. During the year 12 additional contracts were awarded and 12 were completed.

Twenty-seven housing units and a school were under construction for Atomic Energy of Canada Limited at Deep River, Ontario, at the beginning of the year. A contract was awarded for 50 additional housing units, and the school and 20 housing units were completed.

ORGANIZATION AND STAFF

A Development Division was established at head office to study and advise on steps that may be taken by or through the Corporation to improve house design, construction techniques, building methods and materials, and community planning and the use of land. The division is also responsible for social and economic research undertaken by the Corporation.

Changes in the field organization kept pace with developments and demands in local areas. There was a reduction in the number of loans offices from 25 to 11

during the year. At the year end the field organization included five regional offices, 51 branch offices, 11 loans offices and three rental offices.

Construction of the Prairie Regional Office building in Winnipeg was completed.

At the end of the year the staff of the Corporation numbered 2,283 as compared with 2,212 at the end of 1954. While it was possible to close some offices, increased staffs were required elsewhere to cope with the increase in insured mortgage lending.

ACCOUNTS

The financial statements of the Corporation are shown on Pages 24 to 35 with comparisons for the previous fiscal year.

The gross income of the Corporation was \$34,295,500 as compared with \$31,490,800 in 1954. Net income transferred to the Reserve Fund after providing for income tax was \$1,449,800 as compared with \$892,900 in 1954. The

amount transferred from the Reserve Fund to the credit of the Receiver General, after establishing the proceeds from properties sold, was \$6,495,400. This amount was paid after the year-end. Total assets of the Corporation, including assets of the Mortgage Insurance Reserve Fund, increased by \$8,400,500 from \$672,323,500 to \$680,724,000.

Auditors' Report

To the Minister of Public Works, Ottawa.

We have examined the attached financial statements of Central Mortgage and Housing Corporation for the year ended 31st December, 1955 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we have considered necessary in the circumstances.

In our opinion proper books of account have been kept and the financial statements of the Corporation were prepared on a basis consistent with that of the preceding year and are in agreement with the books.

The transactions of the Corporation that have come under our notice have, in our opinion, been within its powers under the Acts applicable to the Corporation.

In our opinion the balance sheet and the related statement of income and expenditure are properly drawn up so as to give respectively a true and fair view of the state of the Corporation's affairs as at 31st December, 1955 and of the income and expense of the Corporation for the year ended that date, according to the best of our information and the explanations given to us and as shown by the books of the Corporation.



C.A.

of the firm
Anderson & Valiquette



C.A.

of the firm
Campbell, Glendinning and Dever

Ottawa, Canada,
15th February, 1956.

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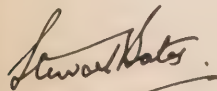
Comparative Balance Sheet

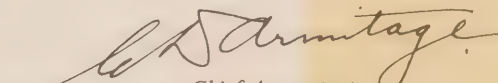
ASSETS	<i>31st December 1955</i>	<i>31st December 1954</i>
Cash	\$ 3,548,919.80	\$ 2,843,290.02
Government of Canada Securities—short term, at approximate market value	4,975,142.27	
Accounts Receivable, less provision of \$25,394.85 for bad debts . . .	355,160.80	256,365.33
Expenditures Recoverable from Provincial Governments under Federal-provincial Agreements	290,096.15	589,125.77
Due from the Minister of Public Works on Current Account	300,674.51	99,985.06
Due from the Minister of Public Works in respect of net Losses under the Housing Acts	525.98	
Government of Canada Securities—Guaranteed Rentals Account (approximate market value \$1,743,515.00) including \$17,262.47 accrued interest	1,812,421.82	1,254,152.11
Maintenance Materials and Other Supplies—at cost	47,271.96	50,531.33
Loans under the Housing Acts, including \$990,189.22 accrued interest	426,048,238.13	429,291,087.12
Mortgages and Agreements for Sale, including \$387,980.12 accrued interest	99,696,244.19	100,772,246.22
Advances to Municipalities and Others on Deferred Repayment Terms, including \$20,420.03 accrued interest	3,549,277.54	3,664,590.35
Real Estate—at cost or at values placed by the Board of Directors on properties acquired under Section 37 of the National Housing Act, 1954, less provision of \$15,067,910.36 for depreciation . .	99,028,390.61	104,006,719.50
Corporation's Share in the joint ownership of Real Estate under Federal-provincial Agreements	28,046,986.18	25,949,071.24
Office Furniture and Sundry Equipment, less provision of \$795,244.88 for depreciation	612,730.35	603,443.45
Contractors' and Other Security Deposits lodged with the Department of Finance	380,300.00	353,300.00
Other Assets	247,065.78	194,243.31
	<u>\$668,939,446.07</u>	<u>\$669,928,150.81</u>
Assets of the Mortgage Insurance Reserve Fund	11,784,509.39	2,395,323.85
	<u><u>\$680,723,955.46</u></u>	<u><u>\$672,323,474.66</u></u>

NOTE: No provision has been made in the above statement for possible losses in respect of loans, guarantees and other commitments which are obligations of Her Majesty under the Housing Acts, other than the Reserves for Guaranteed Rentals, Purchase Guarantees, Home Improvement and Home Extension Loan Guarantees, and Mortgage Insurance.

LIABILITIES

	31st December 1955	31st December 1954
Accounts Payable and Sundry Accrued Charges	\$ 1,505,905.84	\$ 1,675,735.60
Contractors' Holdbacks and Deposits from Contractors and Others	5,348,785.37	3,318,684.26
Prepaid Rents, Services and Payments received on Uncompleted Agreements for Sale	1,053,037.17	990,833.22
Employees' Retirement Fund	75,458.79	122,104.45
Reserve for Guaranteed Rentals	1,660,222.26	1,442,954.27
Reserve for Purchase Guarantees	58,122.46	58,122.46
Reserve for Home Improvement and Home Extension Loan Guarantees	273,681.42	205.00
Due to the Minister of Public Works in respect of Profits under the Housing Acts		17,231.08
Due to the Receiver General under Section 30 of the Central Mortgage and Housing Corporation Act	6,495,401.31	5,311,064.15
Estimated Income Tax less instalments paid	756,641.18	214,535.89
Borrowings from the Government of Canada under Section 22, Central Mortgage and Housing Corporation Act, evidenced by debentures of the Corporation, including \$5,063,130.16 accrued interest (for lending under the Housing Acts)	411,063,130.16	410,891,842.47
Borrowings from the Government of Canada under Section 37 of the National Housing Act, 1954, evidenced by debentures of the Corporation, including \$1,658,304.79 accrued interest (for acquisition and construction of Real Estate)	109,556,940.79	113,882,468.60
Borrowings from the Government of Canada under Section 36 of the National Housing Act, 1954, evidenced by debentures of the Corporation, including \$699,625.84 accrued interest (for acquisition and construction of Real Estate under Federal-provincial Agreements)	28,756,575.16	26,870,258.22
Unrealized Capital Surplus and Profits, including Surplus arising from valuations of properties acquired under Section 37 of the National Housing Act, 1954	72,335,544.16	75,132,111.14
Capital: Authorized and Paid Up	25,000,000.00	25,000,000.00
Reserve Fund	5,000,000.00	5,000,000.00
	\$668,939,446.07	\$669,928,150.81
Mortgage Insurance Reserve Fund (Insured loans outstanding pursuant to Part I and Section 40 of the National Housing Act, 1954 amount to approximately \$529,000,000.00)	11,784,509.39	2,395,323.85
	<u>\$680,723,955.46</u>	<u>\$672,323,474.66</u>


President


Chief Accountant

INCOME

Interest earned on Loans under the Housing Acts	
Less: Interest on borrowings from the Government of Canada for lending under the Housing Acts	
Property Rentals	
Less: Interest on borrowings from the Government of Canada for investment in completed properties	
Income from the Corporation's Investment under Federal-provincial Agreements	
Less: Interest on borrowings from the Government of Canada for investment under Federal-provincial Agreements	
<i>Other Income</i>	
Interest earned on Mortgages and Agreements for Sale	
Fees earned for services provided under Agreements	
Application fees earned	
Miscellaneous	

EXPENDITURES

Administration

Salaries, Head Office and Branches	
Pension Fund, Retirement Fund, Group and Unemployment Insurance and Medical Examinations	
Directors' Fees and Expenses	
Provision for Auditors' Fees and Expenses	
Examination Fees paid to Approved Lenders	
Legal Expenses	
Office Supplies and Expenses	
Telephone, Telegraph and Teletype	
Rental and Expenses of Administrative Premises	
Travel Expenses and use of employee-owned cars	
Information Services, Films and Plans	
Depreciation on Business Premises	
Depreciation on Furniture and Equipment	
Interest on Sundry Reserves and funds held in Trust	
Other Expenses	

Property Expenses

Operating Expenses of Special Projects	
Repairs and Maintenance of Properties	
Payments to Municipalities in lieu of taxes and for services	
Depreciation on Real Estate	

Add:

Profit on Disposal of Corporation-owned Real Estate	
Profit on Disposal of Assets through Crown Assets Disposal Corporation	

INCOME LESS EXPENDITURE FOR THE YEAR BEFORE ESTIMATED INCOME TAX

Deduct: Estimated Income Tax

BALANCE TRANSFERRED TO RESERVE FUND

Income and Expenditure

Statement II

Year Ended 31st December, 1955

\$16,602,320.14	
<u>13,594,189.29</u>	\$ 3,008,130.85
9,118,375.31	
<u>2,224,415.88</u>	6,893,959.43
1,053,032.79	
<u>929,099.52</u>	123,933.27
4,723,786.85	
316,605.57	
2,259,490.99	
<u>178,781.51</u>	7,478,664.92
	<u>17,504,688.47</u>

Year Ended 31st December, 1954

\$15,207,896.25	
<u>12,586,755.68</u>	\$ 2,621,140.57
9,148,381.47	
<u>2,288,406.65</u>	6,859,974.82
895,448.76	
<u>820,852.09</u>	74,596.67
4,789,996.92	
430,566.60	
870,247.41	
<u>148,255.22</u>	6,239,066.15
	<u>15,794,778.21</u>

\$5,493,053.59

896,805.36	
7,851.20	
28,698.58	
184,302.00	
7,260.80	
430,759.77	
133,508.04	
489,183.01	
631,368.53	
54,515.69	
62,163.60	
141,878.46	
67,427.28	
<u>185,426.13</u>	8,814,202.04

761,524.25	
1,252,753.93	
1,485,112.17	
<u>2,423,985.85</u>	5,923,376.20

43,102.42	
<u>(424.60)</u>	42,677.82
	2,809,788.05
	1,360,000.00
	<u>\$ 1,449,788.05</u>

\$4,739,330.22

803,841.65	
10,583.42	
33,000.00	
128,844.00	
11,059.84	
620,825.40	
140,774.85	
410,101.18	
707,790.34	
56,963.37	
62,882.89	
137,080.11	
93,922.30	
<u>194,807.21</u>	8,151,806.78

810,148.64	
1,144,168.12	
1,320,334.10	
<u>2,482,217.04</u>	5,756,867.90
	13,908,674.68
	<u>1,886,103.53</u>

(49,499.26)	
<u>(4,665.39)</u>	(54,164.65)
	1,831,938.88
	939,000.00
	<u>\$ 892,938.88</u>

Reserve Fund as

Credit Balance as at 1st January	
Add:	
Income less Expenditure for the year after Estimated Income Tax	
Net Adjustments to prior years' Income	
Proceeds from Sales of Properties acquired under Section 37 of the National Housing Act, and accumulated depreciation thereon	
Deduct:	
Estimated additional Income Tax on Net Adjustments to prior years' Income	
Estimated additional amounts due in respect of 1952 and 1953 Income Tax	
Amount transferred to the credit of the Receiver General	
Credit Balance as at 31st December, as limited by Section 30 of the Central Mortgage and Housing Corporation Act	

Loans Under the Housing Acts

	<i>Balances 31st December, 1954</i>	
	<i>Number of Loans Outstanding</i>	<i>Value</i>
<i>Joint Loans (Corporation's Share)</i>	<i>143,896</i>	<i>\$270,261,215.20</i>
<i>Uninsured Corporation Loans</i>		
Limited-Dividend Housing Companies	58	23,171,329.97
Mining, Lumbering, Logging and Fishing Industries	6	303,370.06
Builders and Others, insured under Rental Guarantee Contracts	587	87,206,934.64
Other Builders and Home Owners	6,261	45,053,732.05
	<u>6,912</u>	<u>155,735,366.72</u>
<i>Insured Corporation Loans</i>		
Other Builders and Home Owners	196	1,367,240.50
GRAND TOTALS	<u>151,004</u>	<u>\$427,363,822.42</u>

Mortgages and Agreements for Sale Arising from Sales

	<i>Balances 31st December, 1954</i>	
	<i>Number of Accounts Outstanding</i>	<i>Value</i>
<i>Mortgages</i>	<i>4,082</i>	<i>\$ 16,435,848.23</i>
<i>Agreements for Sale</i>	<i>26,582</i>	<i>83,947,713.49</i>
GRAND TOTALS	<u>30,664</u>	<u>\$100,383,561.72</u>

1955		1954	
	\$ 5,000,000.00		\$ 5,000,000.00
\$1,449,788.05		\$ 892,938.88	
237,982.35			
<u>4,933,630.91</u>	<u>6,621,401.31</u>	<u>4,528,125.27</u>	<u>5,421,064.15</u>
	11,621,401.31		10,421,064.15
126,000.00		110,000.00	
<u>6,495,401.31</u>	<u>6,621,401.31</u>	<u>5,311,064.15</u>	<u>5,421,064.15</u>
	<u>\$ 5,000,000.00</u>		<u>\$ 5,000,000.00</u>

for the Year Ended 31st December, 1955

Statement IV

<i>Number of New Loans</i>	<i>Advances and Other Charges to 31st Dec. 1955</i>	<i>Number of Loans Paid in Full</i>	<i>Repayments to 31st Dec. 1955</i>	<i>Balances 31st December, 1955</i>	
				<i>Number of Loans Outstanding</i>	<i>Value</i>
368	\$ 3,949,956.14	4,614	\$16,618,363.35	139,650	\$257,592,807.99
11	12,560,591.20		361,462.55	69	35,370,458.62
3	668,852.95	1	51,605.51	8	920,617.50
1	4,553,000.75	3	5,688,447.77	585	86,071,487.62
104	2,527,777.81	610	6,890,975.73	5,755	40,690,534.13
<u>119</u>	<u>20,310,222.71</u>	<u>614</u>	<u>12,992,491.56</u>	<u>6,417</u>	<u>163,053,097.87</u>
188	3,540,191.27	12	495,288.72	372	4,412,143.05
<u>675</u>	<u>\$27,800,370.12</u>	<u>5,240</u>	<u>\$30,106,143.63</u>	<u>146,439</u>	<u>\$425,058,048.91</u>
			Add: Accrued Interest		990,189.22
					<u>\$426,048,238.13</u>

of Properties for the Year Ended 31st December, 1955

<i>Number of New Accts.</i>	<i>Sales and Other Charges to 31st December, 1955</i>	<i>Number of Accts. Paid in Full or Closed</i>	<i>Repayments to 31st December, 1955</i>	<i>Balances 31st December, 1955</i>	
	<i>Value</i>		<i>Value</i>	<i>Number of Accounts Outstanding</i>	<i>Value</i>
1,237	\$ 7,551,534.37	83	\$ 2,354,687.63	5,236	\$ 21,632,694.97
10	4,285,872.26	1,042	10,558,016.65	25,550	77,675,569.10
<u>1,247</u>	<u>\$11,837,406.63</u>	<u>1,125</u>	<u>\$12,912,704.28</u>	<u>30,786</u>	<u>\$ 99,308,264.07</u>
			Add: Accrued Interest		387,980.12
					<u>\$ 99,696,244.19</u>

Real Estate for the Year

	Balances 31st December, 1954		Additions & Transfers during 1955	
	Units	Book Value	Units	Amount
<i>Business Premises for Corporation Use . . .</i>	<u>41</u>	<u>\$ 2,995,360.73</u>	<u>2</u>	<u>\$ 98,377.96</u>
<i>Constructed for Rental</i>				
Warworkers' Houses	1,352	621,846.81		21,465.11
Servicemen's Houses				
1947 Programme and Prior	2,061	6,183,000.00	(148)	(444,000.00)
1948 and 1949 Programme	12,390	87,447,711.91	148	997,174.57
Multiple Dwellings	623	5,364,918.04		4,559.98
Housing Acquired from				
Limited-Dividend Companies				
Single Houses	246	1,913,628.22		
Multiple Dwellings	1,108 }	8,484,457.98		
Garages	232 }			
Pembroke Housing Project		69,153.20	49	440,773.57
Gander Townsite Development	<u>100</u>	<u>1,513,738.73</u>	<u>30</u>	<u>754,021.59</u>
	<u>18,112</u>	<u>111,598,454.89</u>	<u>79</u>	<u>1,773,994.82</u>
<i>Acquired Under Guarantee Agreements . . .</i>	<u>26</u>	<u>244,058.80</u>		
<i>Ajax Industrial Townsite</i>				
Property Taken Over				
Vacant Land				283,551.34
Miscellaneous Buildings	83	149,334.99	10	(619.87)
Corporation's Investment	<u>2</u>	<u>1,091,635.75</u>		<u>344,810.61</u>
	<u>85</u>	<u>1,240,970.74</u>	<u>10</u>	<u>627,742.08</u>
<i>Other Real Estate</i>				
Vacant Land		1,005,841.88		(382,967.97)
Sundry	<u>33</u>	<u>102,952.02</u>	<u>5</u>	<u>64,767.39</u>
	<u>33</u>	<u>1,108,793.90</u>	<u>5</u>	<u>(318,200.58)</u>
GRAND TOTALS	<u>18,297</u>	<u>\$117,187,639.06</u>	<u>96</u>	<u>\$2,181,914.28</u>

Corporation's Share in the Joint Ownership of Real Estate under

Rental Housing	\$ 20,844,607.09	\$1,518,851.03
Land Assembly	5,051,932.57	1,206,826.44
Expenditures on Preliminary Agreements . .	107,418.56	(101,716.09)
TOTALS	<u>\$ 26,003,958.22</u>	<u>\$2,623,961.38</u>

Ended 31st December, 1955

Statement V

<i>Dispositions during 1955</i>		<i>Balances 31st December, 1955</i>			
<i>Units</i>	<i>Book Value</i>	<i>Units</i>	<i>Book Value</i>	<i>Dep'n and Amortization</i>	<i>Book Value After Dep'n</i>
7	\$ 27,157.57	36	\$ 3,066,581.12	\$ 204,256.72	\$ 2,862,324.40
196	36,419.37	1,156	606,892.55		606,892.55
445	1,335,000.00	1,468	4,404,000.00	1,133,504.75	3,270,495.25
456	3,123,659.47	12,082	85,321,227.01	10,440,343.60	74,880,883.41
		623	5,369,478.02	928,679.87	4,440,798.15
4	31,982.56	242	1,881,645.66	363,078.34	1,518,567.32
7	57.00	1,101 }	8,484,400.98	1,643,852.55	6,840,548.43
		232 }			
		49	509,926.77	1,468.47	508,458.30
		130	2,267,760.32	65,430.04	2,202,330.28
1,108	4,527,118.40	17,083	108,845,331.31	14,576,357.62	94,268,973.69
11	103,856.59	15	140,202.21	4,446.58	135,755.63
	3,701.60		279,849.74	6,253.30	273,596.44
20	23,713.11	73	125,002.01	45,608.08	79,393.93
	289,065.30	2	1,147,381.06	183,928.85	963,452.21
20	316,480.01	75	1,552,232.81	235,790.23	1,316,442.58
	244,111.17		378,762.74	29,550.76	349,211.98
7	54,528.63	31	113,190.78	17,508.45	95,682.33
7	298,639.80	31	491,953.52	47,059.21	444,894.31
1,153	\$5,273,252.37	17,240	\$114,096,300.97	\$15,067,910.36	\$99,028,390.61

Federal-provincial Agreements as at 31st December, 1955

\$116,668.34	\$22,246,789.78	\$112,655.70	\$22,134,134.08
351,609.38	5,907,149.63		5,907,149.63
	5,702.47		5,702.47
<u>\$468,277.72</u>	<u>\$28,159,641.88</u>	<u>\$112,655.70</u>	<u>\$28,046,986.18</u>

Mortgage Insurance Reserve Fund as at 31st December Statement VI

Assets

	<i>1955</i>		<i>1954</i>	
Cash:				
On Deposit in Bank of Canada	\$ 730,991.67		\$ 420,786.72	
In Transit	<u>160,747.36</u>	\$ 891,739.03	<u>124,876.97</u>	\$ 545,663.69
Investments in Securities issued or guaranteed by the Government of Canada—at amortized cost (approximate market value \$10,492,403.00)	10,758,691.66		1,829,950.17	
Add: Accrued Interest	<u>134,078.70</u>	<u>10,892,770.36</u>	<u>19,709.99</u>	<u>1,849,660.16</u>
Total Assets		<u><u>\$11,784,509.39</u></u>		<u><u>\$2,395,323.85</u></u>

Mortgage Insurance Reserve Fund

	<i>Total to 31st Dec. 1954</i>	<i>Year 1955</i>	<i>Total to 31st Dec. 1955</i>
Insurance Fees	\$2,389,849.59	\$9,237,250.27	\$11,627,099.86
Interest Earned on Investments in Securities	<u>6,634.09</u>	<u>174,880.03</u>	<u>181,514.12</u>
	2,396,483.68	9,412,130.30	11,808,613.98
Deduct:			
Amortization of Premiums on Investments in Securities	<u>1,159.83</u>	<u>22,944.76</u>	<u>24,104.59</u>
	<u><u>\$2,395,323.85</u></u>	<u><u>\$9,389,185.54</u></u>	<u><u>\$11,784,509.39</u></u>

Notes to Financial Statements

balance sheet explanations

ASSETS

Cash

Includes cash in banks, undeposited cash collections and funds held for petty cash purposes. Does not include monies held for the Mortgage Insurance Reserve Fund.

Government of Canada Securities—short term

Investment of surplus cash funds in Treasury bills maturing early in 1956, proceeds of which are to be used in discharging obligation to the Receiver General.

Accounts Receivable

Balances due from various Government departments and agencies for construction appraisals and rentals, balances owing by tenants and others, and amounts currently owing by local housing authorities in connection with Federal-provincial projects.

Expenditures Recoverable from Provincial Governments under Federal-provincial Agreements

Provincial share of expenditures made by the Corporation, collectible at the end of each quarter.

Due from the Minister of Public Works on Current Account

Balances due in respect of expenditures under Part V of the National Housing Act, 1954, payments to lending institutions to cover special expenses relative to joint loans made in remote areas, fees and expenses for supervision of construction of housing projects for the Department of National Defence, less net recoveries of guarantees paid under Home Improvement Loans Guarantee Act, and net income collected from Emergency Shelter projects.

Due from the Minister of Public Works

in respect of Net Losses under the Housing Acts

Net losses recoverable by statute on Federal-provincial housing projects less profits on land assembly sales, plus net losses recoverable by statute on land assembly transactions by lending institutions, less profits on disposal of properties secured by joint loan mortgages and Corporation loan mortgages in default.

Government of Canada Securities—Guaranteed Rentals Account

Investment in bonds of funds derived from premiums collected and income earned thereon in respect of contracts guaranteeing owners of rental housing, in part, against loss of rents, to be used for meeting loss claims.

Maintenance Materials and Other Supplies

Materials held for maintenance purposes at housing projects and inventories of fuel and foodstuffs at special projects.

Loans under the Housing Acts

Corporation's share in loans made jointly with lending institutions and full share of insured and uninsured loans made directly by the Corporation. Reported by classification in Statement IV.

Mortgages and Agreements for Sale

Balances outstanding on sales of housing units owned by the Corporation or acquired by foreclosure on defaulted loans. See Statement IV for totals of each group.

Advances to Municipalities and Others on Deferred Repayment Terms

The unrecovered balances owing in respect of funds advanced to assist in the installation of ground services for housing projects and land assembly projects under arrangements made directly with municipalities and others or in partnership with provincial governments under Section 36 of the National Housing Act.

Real Estate

Reported by classification in Statement V.

Corporation's Share in the Joint Ownership of Real Estate under Federal-provincial Agreements

Comprises 75% of the amortized cost of rental housing projects and unsold lots in land assembly projects. Subject to recovery through rental earnings on housing projects and through sales of serviced lots. See Statement V.

Office Furniture and Sundry Equipment

Increased during the year to equip new offices and replace obsolete equipment by \$154,800 before depreciation.

Contractors' and Other Security Deposits

lodged with the Department of Finance

Negotiable government bonds taken as security for construction contracts awarded and in guarantee against other losses. Lodged for safekeeping with the Department of Finance until released to depositors.

Other Assets

Prepayments to municipalities of amounts in lieu of taxes on real estate, unexpired group and other insurance premiums, and accountable advances to employees.

Assets of the Mortgage Insurance Reserve Fund

Insurance fees collected in respect of loans insured under Part I of the National Housing Act, and the investment return thereon. Held for the purpose of paying losses. Details of the fund are reported in Statement VI.

LIABILITIES

Accounts Payable and Sundry Accrued Charges

Includes, in addition to accounts owing and accrued for operating purposes, unpaid claims from contractors and consultants for construction work or services performed and balances owing to provincial governments under Federal-provincial agreements, and to municipalities in respect of their participation in profits on house sales.

Contractors' Holdbacks and Deposits from Contractors and Others

In addition to holdbacks, the major items included here are security deposits on construction contracts, deposits from tenants and from borrowers to pay cost of replacements and repairs to premises covered by rental guarantee contracts, and one deposit of \$500,000 from the Department of National Defence used for working capital on housing projects to be financed on the limited-dividend housing company plan.

Prepaid Rents, Services and Payments received on Uncompleted Agreements for Sale

Includes prepaid rentals, unearned application fees for insured loans, payments on account of sales of Corporation-owned real estate in process of execution.

Employees' Retirement Fund

Amounts and interest accrued thereon, contributed by employees not admitted to the Employees' Pension Fund, and held in trust for their benefit pending retirement or separation.

Reserve for Guaranteed Rentals

Premiums received and income earned thereon less claims paid on rental guarantee contracts issued under Section 14 of the National Housing Act.

Reserve for Purchase Guarantees

Premiums collected from builders given guarantees under the Defence Workers' Housing Loan Regulations to purchase unsold houses. To be held as a contingency reserve.

Reserve for Home Improvement and Home Extension Loan Guarantees

Fees collected from approved lenders and interest earned on these collections for use in payment of claims on guaranteed home improvement loans under Part IV of the National Housing Act.

The large increase in this account arises from stimulated activity in home improvement loans caused by general proclamation of the home improvement section of Part IV of the Housing Act in early 1955.

Due to the Receiver General under Section 30 of the Central Mortgage and Housing Corporation Act

Excess over \$5,000,000 transferred from the Reserve Fund Account.

Estimated Income Tax less instalments paid

Tax requirements for 1955 and additional requirements for prior years are estimated at \$1,486,000. Instalments paid amount to \$729,400.

Borrowings from the Government of Canada

	Amount Borrowed in 1955	Amount Redeemed in 1955
Under Section 22 of the Central Mortgage and Housing Corporation Act for lending under the housing acts. (\$ million).	9.5	9.5
Under Section 36 of the National Housing Act for land assembly and construction of rental housing units under Federal-provincial agreements. (\$ million).	2.5	7
Under Section 37 of the National Housing Act for acquisition and construction of real estate. (\$ million)	—	4.3

Unrealized Capital Surplus

- Capitalized value of real estate acquired under Section 37 National Housing Act.
- Uncollected balances due to the Minister on sales of real estate under Section 37.
- Uncollected portion of profits on sales of houses built with funds borrowed under Section 37.

Additional surplus arising from sales of real estate in 1955 totalled \$1,639,400. Proceeds from sales of properties transferred to Reserve Fund Account totalled \$4,933,600.

Capital

Contributed entirely by the Government of Canada.

Reserve Fund

The accumulated total in this account is limited under Section 30 of the Central Mortgage and Housing Corporation Act to \$5,000,000. Any amounts credited in excess of this amount are required to be paid to the Receiver General of Canada. Comparative details for 1955 and 1954 are reported in Statement III.

income and expenditure

INCOME

While the total of loans on the books at the end of 1955 had decreased below the total reported in 1954 by \$3,242,800, an increase in interest earned of \$1,394,400 is the result of more loans outstanding throughout the year 1955 than in 1954 and some loans made at higher interest rates.

The increase in the volume of undertakings-to-insure in 1955 is reflected in an increase of \$1,389,200 in Application Fees earned as compared with the amount reported in this classification for 1954. On the other hand, a reduction in the volume of construction for the Department of National Defence and other Government agencies brought about a decline of \$114,000 in the item representing recovery of expense in this connection and reported as "Fees earned for services provided under agreements".

EXPENDITURE

The principal items of increased expense were salaries and wages with a proportionate increase in Pension Fund contributions. These increases in expense were offset to some extent by a reduced printing bill and reduced travelling expenses resulting from completion of the transition of activities which introduced the Corporation into the mortgage insurance field.

Total gross salaries and wages paid by the Corporation in 1955 amounted to \$7,001,000. Of this amount only \$5,493,000 was charged to Administration Expense. The remainder included salaries paid on direct construction account and for maintenance of real estate as well as amounts recoverable from the Minister of Public Works on Part V activities and under special agreements.

Pension Fund contributions by the Corporation were greater in 1955 as a result of the employment of permanent staff admitted to the Fund in replacement of personnel previously employed on a contract basis.



Halifax, Nova Scotia

George Hunter Photo

Statistics

tables

- 1* Housing Units Started and Completed, 1935-1955.
- 2* Housing Units Started and Completed, by Province, 1955.
- 3* Housing Units Started, by Locality, 1955.
- 4* Mortgage Loans Approved Under the Housing Acts, 1935-1955.
- 5* Mortgage Loans Approved Under the Housing Acts,
 by Province, 1955.
- 6* Home Improvement and Home Extension Loans Approved,
 by Province, 1955.
- 7* Federal-Provincial Projects Under the Housing Acts, 1950-1955.
- 8* Housing Units Under Rental and Sold, 1947-1955.
- 9* Expenditures on Housing Research and Community
 Planning, 1946-1955.
- 10* Summary of Construction Activities of Central Mortgage and
 Housing Corporation, by Programme, 1955.

Housing Units Started and Completed, 1935-1955

Table 1

Year	Housing Units Started			Housing Units Completed		
	Total	Under the Housing Acts	Other	Total	Under the Housing Acts	Other
1935	33,900	72	33,828	31,800	—	31,800
1936	41,000	729	40,271	38,000	570	37,430
1937	45,100	1,797	43,303	46,900	2,118	44,782
1938	43,900	3,643	40,257	41,400	2,313	39,087
1939	48,900	5,947	42,953	48,800	4,669	44,131
1940	52,600	5,738	46,862	49,000	6,816	42,184
1941	51,200	4,466	46,734	53,200	4,573	48,627
1942	40,000	1,120	38,880	42,800	3,195	39,605
1943	36,100	1,731	34,369	32,700	1,064	31,636
1944	41,500	1,466	40,034	36,500	1,637	34,863
1945	55,181	4,737	50,444	42,488	5,094	37,394
1946	64,355	11,520	52,835	60,454	4,817	55,637
1947	74,263	10,190	64,073	72,218	10,970	61,248
1948	90,194	26,235	63,959	76,097	20,768	55,329
1949	90,509	29,253	61,256	88,233	29,178	59,055
1950	92,531	43,522	49,009	89,015	36,400	52,615
1951	68,579	21,439	47,140	81,310	38,782	42,528
1952	83,246	34,400	48,846	73,087	20,633	52,454
1953	102,409	39,989	62,420	96,839	35,506	61,333
1954	113,527	50,373	63,154	101,965	39,137	62,828
1955	138,276	65,495	72,781	127,552	58,852	68,700
Total	1,407,270	363,862	1,043,408	1,330,358	327,092	1,003,266

Housing Units Started and Completed, by Province, 1955

Table 2

Province	Housing Units Started			Housing Units Completed		
	Total	Under the Housing Acts	Other	Total	Under the Housing Acts	Other
Newfoundland	1,613	406	1,207	1,284	323	961
Prince Edward Island	214	66	148	199	59	140
Nova Scotia	2,946	782	2,164	2,611	703	1,908
New Brunswick	2,986	652	2,334	2,562	586	1,976
Quebec	39,852	10,821	29,031	34,866	9,723	25,143
Ontario	53,456	33,668	19,788	51,351	30,296	21,055
Manitoba	6,705	3,390	3,315	5,873	3,046	2,827
Saskatchewan	4,348	1,956	2,392	4,278	1,757	2,521
Alberta	10,542	7,040	3,502	10,494	6,326	4,168
British Columbia	15,614	6,714	8,900	14,034	6,033	8,001
CANADA	138,276	65,495	72,781	127,552	58,852	68,700

Housing Units Started, by Locality, 1955

Table 3

Locality	Population (000)	Total		Under the Housing Act		Other	
		Number	Per 1,000 Population	Number	Per 1,000 Population	Number	Per 1,000 Population
Metropolitan Area							
Calgary	187	3,129	17	2,686	14	443	3
Edmonton	217	3,843	18	3,340	15	503	3
Halifax	159	1,314	8	590	4	724	4
Hamilton	289	3,368	12	3,078	11	290	1
London	137	1,415	10	1,310	9	105	1
Montreal	1,907	22,124	12	7,336	4	14,788	8
Ottawa-Hull	327	3,817	12	2,881	9	936	3
Quebec	361	3,359	9	459	1	2,900	8
Saint John	91	299	3	131	1	168	2
St. John's	79	495	6	196	2	299	4
Toronto	1,341	19,622	15	12,772	9	6,850	6
Vancouver	621	8,471	14	4,389	7	4,082	7
Victoria	119	1,546	13	655	5	891	8
Windsor	183	1,324	7	1,224	7	100	—
Winnipeg	391	4,926	13	3,209	8	1,717	5
Sub-Total	6,409	79,052	12	44,256	7	34,796	5
Major Centres							
Brantford	52	336	6	262	5	74	1
Ft. William-Pt. Arthur . . .	77	577	7	327	4	250	3
Guelph	32	356	11	321	10	35	1
Kingston	46	175	4	151	3	24	1
Kitchener	57	660	12	489	9	171	3
Moncton	40	223	6	151	4	72	2
Oshawa	48	538	11	372	8	166	3
Peterborough	41	439	11	364	9	75	2
Regina	83	1,445	17	983	12	462	5
St. Catharines	40	181	5	104	3	77	2
Sarnia	41	572	14	439	11	133	3
Saskatoon	67	868	13	655	10	213	3
Sault Ste. Marie	37	267	7	196	5	71	2
Shawinigan Falls	29	108	4	65	2	43	2
Sherbrooke	59	303	5	65	1	238	4
Sudbury	47	165	4	96	2	69	2
Sydney	35	51	2	35	1	16	1
Trois-Rivieres	55	283	5	196	4	87	1
Sub-Total	886	7,547	9	5,271	6	2,276	3
Other Localities	8,306	51,677	6	15,968	2	35,709	4
CANADA	15,601	138,276	9	65,495	4	72,781	5

***Mortgage Loans Approved under the Housing Acts, 1935-1955**

Table 4

<i>Housing Act and Period</i>	<i>Number of Loans</i>	<i>Number of Housing Units</i>	<i>Amount (\$000)</i>
Dominion Housing Act, 1935:			
1935 (October 1-December 31)	73	97	514
1936	550	788	3,778
1937	1,311	1,817	7,524
1938 (January 1-July 31)	1,149	2,197	7,803
Sub-Total	3,083	4,899	19,619
National Housing Act, 1938:			
1938 (August 1-December 31)	1,198	1,697	6,037
1939	4,315	5,973	19,142
1940	4,897	5,621	16,721
1941	4,370	4,323	13,508
1942	1,138	1,093	3,170
1943	1,721	1,721	5,454
1944	1,393	1,393	4,855
1945	—407	—407	—1,368
Sub-Total	18,625	21,414	67,519
National Housing Act, 1944:			
1945 (February 1-December 31)	4,838	5,387	22,511
1946	7,341	11,827	55,951
1947	8,886	10,933	53,230
1948	15,313	18,776	104,291
1949	18,047	25,166	140,830
1950	33,934	42,280	284,487
1951	14,916	19,283	123,621
1952	23,718	34,323	249,084
1953	26,514	38,648	290,823
1954	4,629	7,603	56,313
1955	6	—97	—1,848
Sub-Total	158,142	214,129	1,379,293
National Housing Act, 1954:			
1954 (March 22-December 31)	34,946	42,516	397,197
1955	56,143	65,433	617,160
Sub-Total	91,089	107,949	1,014,357
TOTAL	270,939	348,391	2,480,788

**Data represent the total number and amount of approvals plus reinstatements and increases, minus cancellations, decreases and withdrawals.*

Table 5

***Mortgage Loans Approved under the Housing Acts, by Province, 1955**

<i>Province</i>	<i>Number of Loans</i>	<i>Number of Housing Units</i>	<i>Amount (\$000)</i>
Newfoundland	343	344	3,560
Prince Edward Island	31	33	311
Nova Scotia	656	778	6,869
New Brunswick	496	667	5,390
Quebec	8,089	10,876	97,899
Ontario	29,538	33,498	326,657
Manitoba	3,006	3,403	29,722
Saskatchewan	1,674	1,982	17,010
Alberta	6,499	7,057	64,766
British Columbia	5,813	6,694	63,091
Northwest Territories	1	1	9
Yukon Territory	3	3	28
CANADA	56,149	65,336	615,312

*See footnote Table 4.

Table 6

Home Improvement and Home Extension Loans Approved, by Province, 1955

<i>Province</i>	<i>Home Improvement Loans</i>		<i>Home Extension Loans</i>		
	<i>No. of Loans</i>	<i>Amount (\$000)</i>	<i>No. of Loans</i>	<i>No. of Housing Units</i>	<i>Amount (\$000)</i>
Newfoundland	887	1,209	—	—	—
Prince Edward Island	65	60	2	2	4
Nova Scotia	1,170	1,061	3	3	7
New Brunswick	695	745	8	11	20
Quebec	2,228	3,154	16	25	54
Ontario	9,555	9,662	21	27	72
Manitoba	1,351	1,277	—	—	—
Saskatchewan	964	1,038	5	5	10
Alberta	1,849	2,016	1	1	3
British Columbia	5,841	6,761	11	25	29
Northwest Territories	26	46	—	—	—
Yukon Territory	7	13	—	—	—
CANADA	24,638	27,042	67	99	199

*See footnote Table 4.

Federal-Provincial Projects under the Housing Acts, 1950-1955

Table 7

Year and Province	Land Assembly					Rental Housing Units		
	Area Authorized (acres)	Expenditures, Land and Improvements (\$000)	Number of Lots			Expenditures (\$000)	Authorized	Completed
			Authorized	Developed	Sold	Unsold as at Dec. 31		
1950	825.0	279	1,768	—	—	517	340	—
1951	607.7	896	2,974	135	98	1,329	1,495	140
1952	1,198.4	1,591	5,950	1,093	486	9,447	732	426
1953	1,822.4	1,834	1,086	922	930	11,752	378	1,518
1954	6,616.3	4,159	1,521	1,880	920	6,297	1,495	695
Sub-Total	11,069.8	8,759	13,299	4,030	2,434	29,342	4,440	2,779
1955	336.0	1,439	175	440	738	3,330	968	197
Newfoundland	—	45	—	-2	122	32	46	—
Prince Edward Island	—	—	—	—	—	—	—	—
Nova Scotia	—	—	—	—	—	305	—	—
New Brunswick	—	—	—	—	—	—	—	—
Quebec	—	—	—	—	—	—	—	—
Ontario	308.0	1,226	43	392	587	2,835	922	197
Manitoba	—	—	—	—	—	—	—	—
Saskatchewan	—	—	—	—	—	45	—	—
Alberta	—	—	—	—	—	—	—	—
British Columbia	28.0	168	132	50	29	113	—	—
Total	11,405.8	10,198	13,474	4,470	3,172	32,672	5,408	2,976
								—

Under Construction as at Dec. 31

Housing Units Under Rental and Sold, 1947-1955

Table 8

Year and Province	Number of Housing Units			
	Under Rental as at January 1	Acquired (1)	Sold (2)	Under Rental as at December 31
1947	28,694	8,268	1,923	35,039
1948	35,039	7,498	5,422	37,115
1949	37,115	7,886	3,653	41,348
1950	41,348	4,464	7,156	38,656
1951	38,656	721	14,602	24,775
1952	24,775	301	5,432	19,644
1953	19,644	441	1,789	18,296
1954	18,296	69	723	17,642
1955	17,642	86	1,152	16,576
Newfoundland	151	30	1	180
Prince Edward Island	29	—	—	29
Nova Scotia	441	—	8	433
New Brunswick	692	—	1	691
Quebec	1,956	3	61	1,898
Ontario	6,159	53	424	5,788
Manitoba	2,332	—	222	2,110
Saskatchewan	1,289	—	180	1,109
Alberta	1,370	—	89	1,281
British Columbia	3,223	—	166	3,057

(1) Includes units acquired under guarantee to builders, units acquired from Housing Enterprises of Canada Ltd., units acquired from Atomic Energy Commission, in addition to units built for rental.

(2) Includes Home Conversion Plan units returned to owners, and the Deep River Project returned to Atomic Energy Commission.

Expenditures on Housing Research and Community Planning, 1946-1955 Table 9

Type of Expenditure	1946-1950 \$	1951 \$	1952 \$	1953 \$	1954 \$	1955 \$	1946-1955 \$
<i>Central Mortgage and Housing Corporation</i>							
Economic and Related Research . .	410,787	86,732	97,896	106,044	155,789	171,749	1,028,997
Architectural Investigations	191,458	28,163	29,236	33,265	70,690	59,324	412,136
Technical Investigations	—	799	2,372	503	252	-20	3,906
Community Planning	67,013	6,840	6,565	8,262	12,514	16,158	117,352
Other Housing Investigations	23,428	24,928	16,660	15,120	24,011	36,539	140,686
Information Services	111,540	24,401	47,539	56,503	94,694	64,038	398,715
Sub-Total	804,226	171,863	200,268	219,697	357,950	347,788	2,101,792
<i>Grants to Other Government Departments and Institutions</i>							
Economic and Related Research . .	113,365	14,794	7,866	8,733	10,726	10,794	166,278
Architectural Investigations	17,022	7,500	23,375	6,625	9,791	6,450	70,763
Technical Investigations	—	—	—	1,500	3,027	—	4,527
Community Planning	327,265	96,420	102,015	109,446	111,779	124,497	871,422
Other Housing Investigations	93,467	—	10,695	14,425	4,600	—	123,187
Information Services	—	—	—	932	—	—	932
Sub-Total	551,119	118,714	143,951	141,661	139,923	141,741	1,237,109
TOTAL	1,355,345	290,577	344,219	361,358	497,873	489,529	3,338,901

Table 10

Summary of Construction Activities of Central Mortgage and Housing Corporation, by Programme, 1955

Programme	Number of Housing Units		Number of School Rooms		Number of Residential Lots			Expenditures (\$000)							
	Started	Completed	Under Construction as at 31 December 1955	Started	Completed	Under Construction as at 31 December 1955	In Projects Started	In Projects Completed	In Projects Underway as at 31 December 1955	Housing	Major Improvements to Housing	Land and Improvements	Schools	Other	Total
<i>Corporation Construction</i>															
Federal-Provincial Projects	122	197	92	—	—	—	1,434	219	5,042	1,552	—	3,217	—	—	4,769
Rental Housing (Pembroke and Gander)	104	80	81	—	—	—	—	—	—	1,062	—	55	—	—	1,117
Permanent Improvements for Corporation-owned Housing	—	—	—	—	—	—	—	—	—	—	29	—	—	—	29
Ajax Development Project	—	—	—	—	—	—	—	—	—	—	—	—	—	177	177
Gander Townsite	—	—	—	—	—	—	—	—	—	—	—	78	—	—	78
Office Premises	—	—	—	—	—	—	—	—	—	—	—	—	—	147	147
<i>Construction for Other Departments and Agencies</i>															
Department of National Defence . .	1,492	911	1,280	106	68	106	—	—	—	11,688	—	4,642	2,576	—	18,906
Atomic Energy of Canada Ltd. . . .	100	20	80	—	8	—	—	—	—	702	—	145	—	—	847

List of Publications

reports

CANADIAN HOUSING STATISTICS A quarterly report providing statistical information on the housing situation, particularly new house-building and mortgage lending activity.

financing

NHA LOANS FOR HOMES A booklet giving a detailed explanation of the home-ownership provisions of the National Housing Act and the procedure to follow in obtaining an NHA loan.

NHA RENTAL HOUSING LOANS A leaflet outlining the financing of rental housing projects under the terms of Section 7 (1) (j) of the National Housing Act.

NHA LIMITED-DIVIDEND LOANS A leaflet outlining loans available under Section 16 of the National Housing Act to assist in the construction of low-rental housing projects or in the purchase and conversion of existing buildings to provide such accommodation.

NHA HOME CONVERSION LOANS A leaflet outlining the financing of alterations required in adding one or more family housing units to existing residential structures under the terms of Section 7 (1) (k) of the National Housing Act.

NHA FEDERAL-PROVINCIAL PROJECTS A leaflet outlining the provisions of Section 36 of the National Housing Act for land assembly and housing construction to be undertaken jointly by the Federal and Provincial governments.

NHA HOME IMPROVEMENT LOANS A leaflet outlining loans available under Part IV of the National Housing Act to assist in financing home improvements.

house designs

SMALL HOUSE DESIGNS—BUNGALOWS AND SPLIT-LEVEL HOUSES A catalogue of house designs for which working drawings are made available to the public at minimum cost through the co-operation of Canadian architects and Central Mortgage and Housing Corporation.

SMALL HOUSE DESIGNS—TWO-STOREY AND ONE AND ONE-HALF STOREY HOUSES A companion book to Small House Designs—Bungalows and Split-Level Houses.

construction

BUILDING STANDARDS (EXCLUDING APARTMENT BUILDINGS) A booklet setting out the minimum requirements for planning, construction and materials for buildings upon which loans are made under the National Housing Act.

APARTMENT BUILDING STANDARDS A booklet setting out the minimum requirements for planning, construction and materials for apartment buildings upon which loans are made under the National Housing Act.

DICTIONARY OF HOUSE-BUILDING TERMS Definitions of words describing methods and materials generally employed in the house-building industry.

general

A GUIDE TO SAFE HOME HEATING A leaflet explaining the proper care and firing of warm air gravity furnaces.

A LOT TO BE PROUD OF A booklet explaining proper maintenance of lawns, trees and shrubs.

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CENTRAL MORTGAGE AND HOUSING CORPORATION

Ottawa, Canada

CAI MH
-A55



CENTRAL MORTGAGE AND HOUSING CORPORATION

ANNUAL REPORT

1 9 5 6

CENTRAL MORTGAGE AND HOUSING CORPORATION

A N N U A L
R E P O R T

1 9 5 6

CENTRAL MORTGAGE AND HOUSING CORPORATION

Incorporated by Act of Parliament in 1945, (R.S.C. 1952, c.46), Central Mortgage and Housing Corporation is a Federal Crown corporation. Under the National Housing Act, 1954, and earlier Housing Acts, the Corporation is empowered to:

- ◆ Insure mortgage loans made on new housing, by banks, life insurance, trust and loan companies and other approved lenders;
- ◆ Provide guarantees to banks on loans made for home improvement, and guarantees to life insurance companies and private investors of returns from moderate-rental housing projects built by them;
- ◆ Make mortgage loans on low and moderate-rental housing projects and to prospective home owners unable to obtain loans from private NHA lenders;
- ◆ Determine lending values, prescribe minimum standards of construction and perform compliance inspections during construction for houses financed under NHA;
- ◆ Buy or sell insured mortgage loans and make loans to mortgage lenders on the security of mortgages and debentures;
- ◆ Participate with provincial governments in the development of serviced land for residential purposes and the construction of housing projects and, on behalf of the Federal Government, with municipalities in the acquisition and clearance of areas for urban redevelopment;
- ◆ Construct, own and manage housing projects on its own account, and on behalf of Federal Government departments and agencies;
- ◆ Encourage the development of better housing and sound community planning;
- ◆ Conduct housing research and research on mortgage financing.

The improvement of housing and living conditions is regarded as the main business of CENTRAL MORTGAGE AND HOUSING CORPORATION and all its organizational effort is directed to this objective.

1956 IN BRIEF REVIEW

- ◆ The year 1956 was a period of intense construction activity with total capital expenditures 22% greater than in the previous year. A major proportion of these expenditures was directed into the building of industrial and commercial plant in cities and into the expansion of power, communications and public services which support urban areas. The ascending scale of urban growth placed unusual demands upon the capital resources of the country and imposed a limit upon the funds available for new housing production.
- ◆ A record number of new dwelling units was completed, 135,700 as compared with the previous high of 127,929 set in 1955. The number of new units started declined but at 127,311 was second only to the record total of 138,276 units set in 1955. There were 68,579 units under construction at the end of the year.
- ◆ The millionth post-war housing unit was completed in September.
- ◆ The number of units for which loans were approved under the National Housing Act, 1954, decreased from 65,336 in 1955 to 41,283.
- ◆ Home improvement loan business under the National Housing Act reached an all-time high with banks reporting 30,380 loans for a total amount of \$29.7 million.
- ◆ There was an increase in the costs of housebuilding and in the price of residential land.
- ◆ The Corporation's operating profit for the year, after providing for income tax, amounted to \$869,304 as compared with \$1,449,788 in 1955.

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March 11. 1957

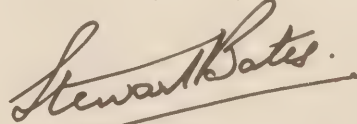
Honourable Robert Winters,
Minister of Public Works,
Ottawa, Canada.

Dear Mr. Winters:-

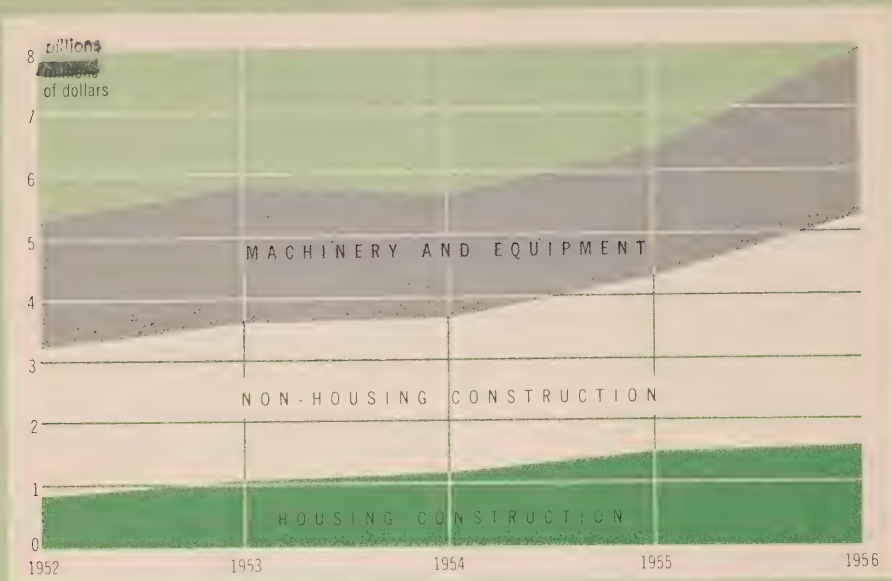
On behalf of the Board of Directors I have the honour to submit a statement of the accounts and a report of the activities of Central Mortgage and Housing Corporation for the fiscal year ended 31st December, 1956.

The members of the Board are appreciative of the co-operation received and service rendered by the staff during the past year and wish to express their thanks.

Yours very truly,

A handwritten signature in dark ink, reading "Stewart Bates." The signature is written in a cursive style with a horizontal line underneath it.

President.



CAPITAL EXPENDITURES, 1952-1956

CANADA'S HOUSING IN 1956

In a year of remarkable economic expansion Canadian cities continued to grow rapidly in population, in industrial enterprise and in housing. In 1956 the population of Canada increased by 400,000 and 135,700 housing units were completed. Though a larger quantity of housing was completed than in any previous year, there was a decline in the number of new houses started and in those awaiting completion at the end of the year.

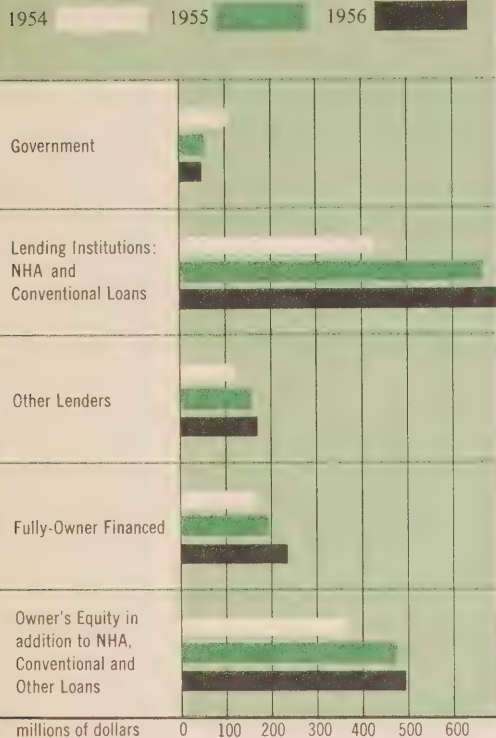
This was a period of great construction activity with total capital expenditures 22% larger than in the previous year. A major proportion of these expenditures was directed into the building of industrial and commercial plant in cities and into the expansion of power, communications and public services which support urban areas. The ascending scale of urban growth placed unusual demands upon the capital resources of the country and imposed a limit upon the funds available for new housing production.

In March the interest rate on National Housing Act loans was raised from $5\frac{1}{4}$ to $5\frac{1}{2}$ per cent. During the year there was a somewhat larger increase in the interest rate on conventional mortgage loans.

At the beginning of the year 79,100 uncompleted units had been carried over and contributed to the record number of completions, 7,771 more than in 1955. The number of new houses started went down from 138,276 to 127,311 and 68,579 have been carried over. This decline took place particularly in the fourth quarter when there was a significant reduction in the quantity of housing financed under the National Housing Act.

The number of units for which loans were approved under the Act decreased from 65,336 in 1955 to 41,283. Of this number 14,765 were financed by the banks, as compared with 33,301 in 1955. Other approved lenders financed 23,908 as compared with 29,883. The commitments of all lenders in National Housing Act insured loans was \$388 million. A large proportion of the new mortgages was approved in the early part of the year.

SOURCES OF FUNDS FOR NEW HOUSING



residential lots rose from \$1,819 to \$2,041. These increased costs may be viewed in relation ship with an increase of about 9% in the disposable incomes of Canadians. Throughout the year there was a continued strong demand for housing; more new houses were sold than in any previous year.

Amendments were made to the National Housing Act, 1954, on June 7 (1956 S.C. c. 9). To extend the Federal Government's aid to municipalities in undertaking urban redevelopment, Section 23 was amended to provide that blighted areas which are cleared may be used for appropriate purposes other than housing. Also, the Federal Government, instead of making grants on the completion of acquisition and clearance operations, may now share equally with a municipality in the process of assembling and disposing of re-development sites. Amendments were also made to Section 33 of the Act to enable the Federal Government to make grants to municipalities to support studies of housing conditions and urban redevelopment requirements. Some cities have already taken advantage of this provision and there has been an increasing public interest in discussions of urban redevelopment.

During the fourth quarter the number of loans from the banks was one-fifth of what it had been in the comparable period of 1955, and loans from other sources were one-third of the previous volume.

Outside the National Housing Act there was a small decline from 38,000 to 35,000 in the number of units financed by insurance companies and trust and loan companies. There was an increase in the number of units financed in other ways.

The National Housing Act, 1954, provides for a secondary source of housing funds through the sale of insured mortgage loans to private investors, such as pension funds. This may greatly extend the capital resources available to support housing, but it is to be expected that this secondary market will develop slowly. In 1956 the banks and other approved lenders under the Act sold mortgage loans to the value of \$49.6 million as compared with \$17.5 million in 1955.

There was some increase in the costs of house-building. As an example, the average cost per square foot of bungalows built under the National Housing Act rose from \$9.81 to \$10.22. The average price of

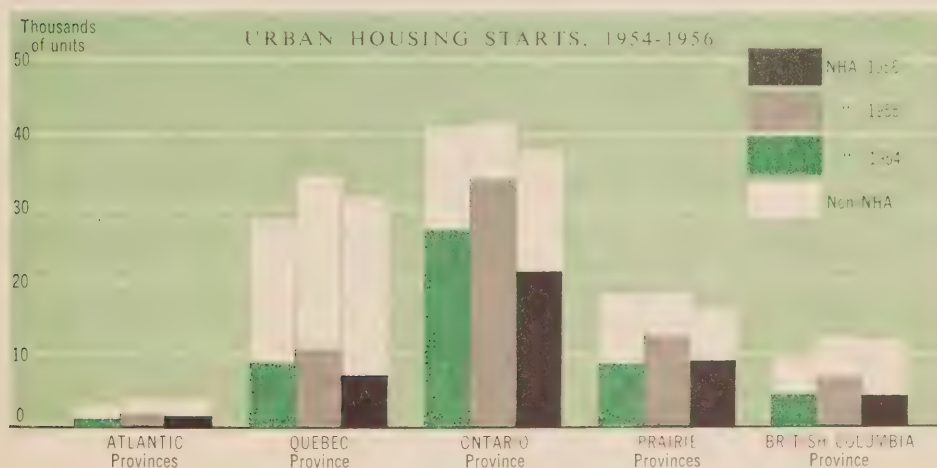
Section 30 of the Act was also amended to provide more liberal terms for Home Improvement Loans. The maximum amount of such loans was increased from \$2,500 to \$4,000, the maximum term extended to 10 years and provision made that such loans may be secured by mortgages.

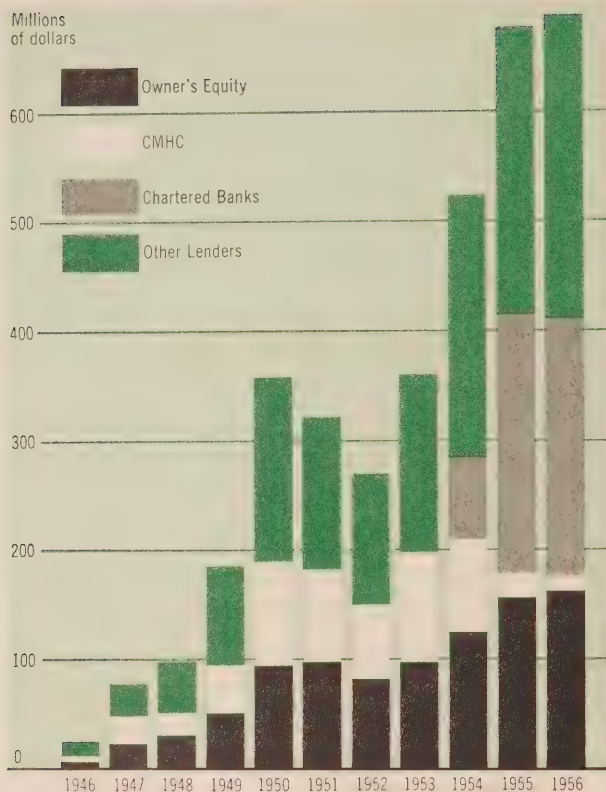
The quality of residential development in Canada depends upon the skill of individual housebuilders and upon the effectiveness of local arrangements for site planning and servicing of housing projects. During the year Central Mortgage and Housing Corporation, in collaboration with provincial and local officials, endeavoured to secure further improvements in the standards of residential planning and building. The Corporation also promoted improvements in house design and aided in the establishment of the Canadian Housing Design Council as an independent body devoted to this purpose.

One million new units have been built since the war, housing about a quarter of the population. The completion of the millionth post-war house in September provided an occasion to pay tribute to all who have had a part in this accomplishment.

During 1955 and 1956 the process of suburban expansion was strongly reinforced by the initial release of funds from the banks following upon the introduction of the National Housing Act, 1954. Their addition of \$614 million to the financing of Canadian housing has been a unique contribution.

Great demands are now being made upon financial and productive resources for enlarging the urban structure of Canada, for the installation of power, industrial plant and utilities. While this causes a temporary shortage of funds for housing, such continued urban growth leads to further expansion of housing. Meanwhile immigration may put new pressure upon the existing stock of housing and in a few years there will be a major increase in the population of marriageable age. To provide the Canadian people with a sufficient supply of well-designed, economical housing will place new demands upon all who contribute to the housebuilding industry.





INVESTMENT IN NEW HOUSING,
NATIONAL HOUSING ACTS, 1946-1956

REPORT OF OPERATIONS, 1956

National Housing Act lending in 1956 declined substantially from the record level reached in 1955. Undertakings-to-insure and loan commitments were issued by the Corporation for 41,283 housing units, a decrease of 36.8% from the 1955 total of 65,336 units. The aggregate amount of loans approved was \$407.1 million, a decrease of 33.8% from the 1955 amount of \$615.3 million (Tables 4 and 5).¹

Effective March 12, maximum interest rates for loans under the Act were increased (Order in Council P.C. 1956-466) by $\frac{1}{4}\%$, the rates reverting to their 1954 levels of $5\frac{1}{2}\%$ for home-owner, co-operative, home conversion, farm, rental housing and home improvement loans, $3\frac{3}{4}\%$ for loans on limited-dividend rental housing and $4\frac{3}{4}\%$ for employee rental housing built by primary industries.

An amendment to the Act during the year removed the lower limit of a home-ownership loan. Previously, in general, the loan could not be less than 70% of the lending value.

NHA
Section 4

NHA
Section 7

¹ All references to "Tables" are to tables in this report.

INSURED MORTGAGE LOANS

NHA
Sections 6, 7, 8

During the year lenders approved insured loans for 38,673 housing units under the Act. This was a reduction of 38.8% from 1955, varying from 40% in Ontario and British Columbia, and 35% in Quebec, to 30% in the Atlantic and Prairie provinces. The decline from 1955 on a quarterly basis was 22%, 17%, 44% and 72%, respectively. Banks approved loans for 38% of the total number of units, life insurance companies 53% and other lenders 9% (*CHS*—Tables 18 and 19).¹

The year's approvals included 26,611 units (69%) constructed by builders for sale to home owners, 8,662 units (22%) for home-owner applicants and 3,400 units (9%) for rental (*CHS*—Table 23). As in previous years, there was little demand for insured loans for the conversion of houses into multiple-family dwellings or for the construction of houses on farms.

The growth of new housing projects on the perimeter of urban centres continued to outrun the expansion of municipally installed services. As a result, project builders frequently made agreements with municipalities whereby they undertook to provide the services and recover the costs in the sale prices of their houses. This trend was reflected in higher loans. In the large subdivisions reviewed and accepted as suitable for residential construction under the Act, the percentage of lots providing piped sanitary services was 93.4% (52,000 lots) compared with 84.6% (33,700 lots) in 1955.

In 1956 the average NHA home-owner borrower or purchaser of a builder's house had an income of \$5,312. He was 33.9 years of age and had 2.5 dependents. He obtained a loan of \$10,352 on a property valued at \$12,259 by the Corporation. The total cost was estimated at \$14,163 including \$11,667 for construction, \$2,041 for land and \$455 for other items. The down payment was \$3,811 and the loan was amortized over 25 years with the monthly payment of principal, interest and taxes amounting to \$81.

The typical house had one storey with three bedrooms and a total livable floor area of 1,138 square feet. The lot had a frontage of 60 feet and was provided with sewer and water services. While the bungalow or one-storey house predominated, the popularity of the split-level continued to increase and this type exceeded the combined total of 1½-storey and 2-storey dwellings. The number of houses with livable floor areas over 1,000 square feet increased from 71% to 81% of the total (*CHS*—Tables 22, 26 and 50).

¹ All references to "CHS" are to *Canadian Housing Statistics*, 4th quarter, 1956.

The average ratio of mortgage payments plus municipal taxes to home-owners' incomes was 18.3% (18.6% in 1955). The National Housing Loan Regulations prescribed under the Act provide that where the ratio is greater than 23%, and the lender considers the borrower credit-worthy, the lender may approve such a borrower with the concurrence of the Corporation. In 1956, ratios were in excess of 23% for nine per cent of the borrowers (10% in 1955).

The average home-owner loan in 1956 was 84.4% (83.4% in 1955) of the Corporation valuation, and the average down payment was about 26.9% (21.9% in 1955) of the cost. Construction costs increased in 1956 by an average of 8.7%. Average land prices increased by 12.2% over 1955 and for single-family dwellings land comprised 14.6% of the total cost as against 14.2% in 1955.

The Mortgage Insurance Fund increased to \$22.1 million; the total amount of mortgages insured by the fund at the year-end was \$1,083 million. The first claim under the 1954 Act was received in December. Defaults in mortgage payments also resulted in acquisitions by lenders of three properties securing insured loans, the lenders electing to retain two of the properties rather than claim against the fund. The third property was acquired just at the year-end and the lender will likely claim against the fund early in 1957.

NHA
Section 10

During the year 4,922 insured mortgages totalling \$49.6 million were sold by lenders bringing the total sales to 6,747 loans for \$67.6 million under the 1954 Act. Pension funds continued to comprise the most important segment of the purchasers, investing in 3,449 loans totalling \$34.2 million in 1956. The Corporation's own pension fund was among the purchasers (*CHS*—Table 25).

NHA
Section 3

HOME IMPROVEMENT LOAN INSURANCE AND RENTAL HOUSING GUARANTEES

Amendments made to the Act and Regulations during the year increased the maximum home improvement loan for a single-family house from \$2,500 to \$4,000 and from \$1,250 to \$1,500 for each additional housing unit in the case of a multiple-family dwelling not exceeding four units. The maximum repayment term was extended from five to ten years and provision was made for mortgage security to be taken in addition to the borrower's promissory note. For loans in excess of \$4,000 and loans with a repayment term in excess of five years, the lender is required to take additional security. The lender may take additional security for loans over \$1,250 or with a repayment term longer than three years.

NHA
Section 24

A further change established the Home Improvement Loan Insurance Fund. Insurance fees paid in respect of home improvement loans are now funded and so shown in the Corporation's financial statements.

The highest level of home improvement loan business under Federal legislation was recorded during the year with banks reporting 30,380 loans for a total amount of \$29.7 million (24,705 loans for \$27.2 million in 1955) (Table 6). Total home improvement loan balances at the end of the year amounted to \$39.3 million and the maximum amount guaranteed by the Corporation was \$2.8 million. The balance in the Home Improvement Loan Insurance Fund was \$569,797 at the year-end after paying claims totalling \$11,420 during the year. There were 607 loans reported in arrears for 60 days or more at the year-end.

Structural alterations and repairs, plumbing, heating, interior decorating and additional rooms were the major improvement and repair classifications during the year (*CHS*—Table 28).

There was no demand for new rental guarantee contracts during the year and the number of dwelling units covered by existing contracts at the year-end was 21,150. By amendment to the Act during the year, a Rental Guarantee Fund was established to be credited with all premiums received, and charged with payments under rental guarantee contracts. There was considerable increase in the amount of claims paid, \$423,196 compared with \$38,477 in 1955. After paying these claims, the amount in the Rental Guarantee Fund was \$1.7 million.

LOANS BY THE CORPORATION

There was an increase in the number of loans to limited-dividend housing companies with 26 loans approved for 1,620 rental housing units as against nine loans for 1,419 units in 1955. About half the units were sponsored by charitable and non-profit organizations requiring no dividends and the other half by investors, rentals being set at a level to provide a dividend of five per cent on equity. The aggregate amount of the 26 loans was \$10.6 million.

Primary industries showed greater interest in loans available for the construction of rental housing for employees and six loans were approved for 290 units compared with one loan for 40 units in 1955. Copper mining companies in the Chibougamau area of Quebec and uranium companies in the Bancroft area of Ontario were the principal borrowers. The aggregate amount of the six loans was \$2.5 million.

Requests for NHA loans from co-operative groups and from veterans building under Part II of the Veterans' Land Act decreased. Mortgage financing was provided for 12 co-operative groups building 203 units (15 groups and 205 units in 1955) and 343 completion loan commitments to veterans (476 in 1955). From June onwards there was a marked increase in the demand for loans to home-owner applicants in smaller centres and loans for 375 units (13 units in 1955) were approved (*CHS*—Table 23).

NHA
Section 40

At the year-end 7,173 loans made by the Corporation were outstanding in the amount of \$175.5 million. Of these loans 27 or .37% were three months or more in arrears. There were no foreclosures or similar proceedings in respect of Corporation loans during the year.

JOINT LOANS

At the year-end the Corporation's outstanding share of joint loans made under earlier Housing Acts totalled \$240.6 million on 134,684 loans. Of these, 227 loans representing .17% of the total were reported three months or more in arrears. During the year action was taken by lenders to realize on the security of six properties through foreclosure or similar proceedings.

The lenders' share of joint loans at the end of 1956 was \$646.5 million and the maximum liability under the Pool Guarantee Accounts established under previous Housing Acts was \$59.5 million. Loss recoveries and profits exceeded claims paid during the year by \$824.29.

SALE AGREEMENTS AND SALE MORTGAGES

A total of 30,976 accounts resulting from the sale of Corporation houses to individuals on a deferred payment plan were under administration at the end of the year and of these 37 were in arrears for three months or more. Four agreements were cancelled during the year because of default in payment and the houses were resold without loss to the Corporation.

NHA
Section 39

LENDING VALUES, BUILDING STANDARDS AND COMPLIANCE INSPECTIONS

The Corporation is required to establish the lending value of the land and proposed construction offered as security for a loan under the Act. Twice yearly the Corporation surveys current land costs, material costs and wage rates in house building.

NHA
Section 7

During the year, the Corporation's building standards for houses were again under constant review and as a result of experience in the field and meetings with various research bodies and national associations, extensive amendments were made. Building standards governing apartment buildings were issued in a completely revised edition at mid-year to become fully effective on January 1, 1957.

The Corporation is required to make at least four inspections during the period of construction of dwellings financed under the Act. These inspections are made to determine that work is carried out in reasonable conformity with the plans and specifications submitted by the borrower and in accordance with the prescribed standards of construction. Five or more inspections were made on each house during 1956 and a total in excess of 450,000 was carried out. The special on-call service which was introduced in 1955 to assist builders with construction during the winter was continued.

There was continued improvement in the quality of construction, major infractions occurring in less than 2% of the total units inspected.

Liaison between the Corporation and representatives of the house-building industry continued. Periodic meetings were held at head office and at the field offices of the Corporation with the various liaison committees established by the National House Builders' Association.

Submissions are received for the acceptance of new building materials and systems that may be used in housing financed under the Act or built under the supervision of the Corporation. Acceptability is determined by investigations of test data, examinations of representative samples and observations of performance. For technical examination of such submissions the Corporation continues to rely principally upon the Division of Building Research of the National Research Council and upon other governmental laboratories. Acceptances issued in 1956 totalled 516 as compared with 444 in 1955 and 237 in 1954.

PURCHASE AND SALE OF MORTGAGES BY THE CORPORATION

The Corporation is empowered to buy and sell mortgage loans and to make loans to lenders on the security of such loans. During the year the Corporation sold 75 loans. There were no purchases.

URBAN REDEVELOPMENT AND FEDERAL-PROVINCIAL PROJECTS

During the year progress was made with respect to redevelopment undertakings for which grants had previously been authorized. In Regent Park South the City of Toronto acquired title to approximately 19 acres of the 26.53-acre site and cleared 11 acres. This project involves payment of a Federal grant not exceeding \$1,839,937.

NHA
Section 23

In the Regent Park North redevelopment project for the clearance of 42 acres, \$154,729 remained to be claimed by the City of Toronto at the year-end out of a total grant of \$1,362,000.

During 1956 the City of St. John's, Newfoundland, was engaged in the acquisition of title to properties in a substandard area of approximately five acres required for construction of 46 Federal-Provincial subsidized rental housing units. A Federal grant of \$15,000 was authorized in 1954 to assist in acquisition and clearance.

A Federal grant of \$2,467,587 to the City of Montreal, to aid in the acquisition and clearance of some 20 acres of blighted land, was authorized.

FEDERAL-PROVINCIAL PROJECTS

During the year Federal-Provincial agreements were made for 520 dwelling units in six rental housing projects and 595 lots in three land assembly projects. At the year-end total agreements covered 5,928 dwelling units in 50 rental housing projects and 13,469 lots in 34 land assembly developments (Table 7).

NHA
Section 36

Of the total rental housing units under agreement, the full investment of the Federal-Provincial partners will be recovered on 2,846 housing units, of which 1,495 were completed at the end of the year. Long-term amortization and low interest rates result in moderate rentals. Applicants for these housing units declare their incomes and only those earning less than five times the rental are eligible; they may remain in the project until their income exceeds six times the rental. Tenants' incomes are reviewed annually.

For the other 3,082 dwelling units authorized to the end of 1956, rentals vary with income and composition of the tenant families. The average subsidy per unit per month required in the operation of 1,622 completed dwelling units in 1956 was about \$9.75, the Federal Government share being about \$7.31.

Of the total land assembly projects under agreement at the year-end, 19 projects providing 5,339 lots were completed and 4,210 lots were sold. Twelve projects to provide 6,519 lots were under development and two projects totalling 558 lots were authorized but not yet started. In addition 5,081 acres of vacant land have been acquired for future development. In 1956 a total of 839 lots were developed and 1,038 lots were sold.

Under rental housing agreements, 714 dwellings were started and 141 completed as compared with 122 and 197, respectively, in 1955. At Toronto, construction started on 288 units of the 733-unit Regent Park South redevelopment project. Three of the five 14-storey apartment buildings were under construction at the year-end. Also in Toronto, construction started on 426 units of the 1,081-unit Lawrence Heights project. At Hamilton, Ontario, where the Federal-Provincial partnership had agreed to relocate and renovate 450 war workers' houses, contracts were awarded during the year for work in connection with 260 of these units. Construction also started on projects in Saint John, New Brunswick, and Brockville and Windsor, Ontario.

REAL ESTATE MANAGEMENT AND CONSTRUCTION OPERATIONS

The Corporation constructs, owns and manages housing and other real estate. In addition, the construction of housing and related buildings and services is undertaken for Federal Government departments and agencies. In some instances management services are also provided.

The Corporation continued to manage veterans' rental houses constructed by the Corporation in previous years and real estate acquired from other sources. Included in the latter group are houses built by Wartime Housing Limited and by Housing Enterprises of Canada Limited, defence workers' houses purchased under guarantees to builders, houses re-posessed because of default of loans or sales, the Laurentian Terrace in Ottawa, and unsold properties in the Town of Ajax, Ontario (Table 8).

A summary of rental properties under management in 1956, with comparative figures for 1955, follows:

	1956	1955
Number of dwellings under management		
At beginning of year	16,574	17,642
At end of year	15,104	16,574
Rental Revenue		
Total (\$000)	8,234	8,505
Per Unit (\$)	520	497
Operating Expenses, Excluding Administration		
Total (\$000)	3,102	2,927
Per Unit (\$)	196	171

Rental arrears at the end of the year amounted to \$26,622, representing .33% of the total rentals receivable. Of this amount \$24,248 was arrears for one month only.

Payments in lieu of taxes on Corporation-owned houses were made to municipalities in the amount of \$1.5 million. During the year agreements were renegotiated with 16 municipalities to permit higher payments in lieu of taxes.

NHA
Section 37

There were 57 fires reported resulting in repair costs of \$25,949, an average fire loss of \$1.64 per housing unit.

During the year 1,676 vacant housing units were allocated for rental to qualified applicants on Corporation waiting lists. In some projects the renting of units to non-veterans was authorized providing applications were not received from veterans. Veterans occupied 95% of all housing units.

In 1956 a total of 2,380 Corporation-owned housing units was made available for sale to tenants to bring to 45,140 the number placed on sale. Of these units 1,574 were sold during the year for an aggregate price of \$7.9 million. Total sales to the end of 1956 numbered 43,428 units for an aggregate price of \$153.2 million.

No new projects to expand the facilities and services in Ajax, Ontario, were undertaken by the Corporation in 1956. A public tender call was made for sale of most of the Corporation's holdings but no satisfactory bids were received.

Builders acquired 71 acres of land for residential construction. Fifty-six feet of commercial frontage and 4.9 acres of industrial land were sold.

During the year the Corporation sold the water pumping plant to the Town of Ajax. The sewage disposal plant and 33 acres of land to be used for municipal purposes were conveyed to the town.

At Gander, Newfoundland, where the Corporation is cooperating with the Federal Department of Transport and the municipality in the development of a townsite, 226 rental housing units were completed and occupied during the year and 20 houses remained to be completed. The Department of Transport is responsible for the design and installation of municipal services while the Corporation's activities include townsite planning, sale of residential and commercial land, and construction and administration of rental housing.

The Corporation carried out construction of married quarters and schools for the Department of Public Works and Atomic Energy of Canada Limited (Table 10).

At the beginning of the year 1,280 housing units for armed services personnel were under construction and 2,064 were under contract. Contracts for 1,320 additional units were awarded during the year and 966 units were completed.

Fifty-five contracts for school construction required by the Department of National Defence were awarded prior to 1956 and work on 43 contracts was completed. During the year 18 additional contracts were awarded and nine were completed.

Further development of the townsite at Camp Gagetown took place. By the end of the year, the bulk of municipal services had been installed and 60 housing units had been completed. An additional 808 units and three schools were under contract and tenders were called for a further 191 units.

Under an agreement entered into with the Department of Public Works, 72 houses were under contract, 58 at Whitehorse, Yukon Territory, and 14 at Kitimat, British Columbia, for rental to Federal Government employees.

Eighty housing units were under construction for Atomic Energy of Canada Limited at Deep River, Ontario, at the beginning of the year and 34 housing units were completed.

As agent of the Department of Defence Production, the Corporation supervised management of 115 housing units for defence workers at Renfrew, Ontario, and Sorel, Quebec.

HOUSING DESIGN AND COMMUNITY PLANNING

The Corporation reviews subdivision proposals to ensure that proposed layouts follow sound planning practice and contribute to the orderly development of Canadian communities. Approximately 200 large subdivision proposals comprising 56,000 lots were reviewed.

For the assistance of land developers seeking NHA acceptance of subdivision layouts, the Corporation, after consultation with provincial and municipal planning authorities, published a guide outlining suggested minimum standards.

NHA
Section 32

A large part of the Corporation's architectural and planning work was for the programme of permanent married quarters for the Department of National Defence. Public housing projects were also designed for Regent Park South and Lawrence Heights in Toronto and for St. John's, Newfoundland. Seventeen land assembly and rental projects were designed.

A preliminary survey and town development plan were undertaken for Fort Smith, the administrative headquarters of the Northwest Territories, and the new town of Frobisher Bay on Baffin Island was planned.

In co-operation with the Department of Public Works, a town plan was prepared for the relocation of Aklavik and housing units are being designed to meet special conditions in the new town.

NHA
Section 32

A draft zoning plan and by-laws were prepared for the new townsite at Gander, Newfoundland, and an interim zoning plan was prepared for the Local Improvement District of Deep River. Planning for an additional 300 housing units at Deep River was completed and the design of a large hostel was undertaken.

AIDS TO PLANNING AND HOUSING DESIGN

Federal and provincial participation in urban redevelopment studies increased with the growing interest of municipalities in the clearance of blighted areas. Federal Government grants to assist in such studies were made to Saint John, New Brunswick, and Halifax, Nova Scotia, and to the University of Manitoba.

NHA
Section 33

The Community Planning Association of Canada received grants for a broad educational programme and specifically to provide information with regard to the redevelopment of Canadian cities and the elimination of blight.

Thirteen candidates were given fellowships for professional training in community planning at Canadian universities. The schools of planning at the University of Toronto, University of British Columbia, McGill University and the University of Manitoba were again given grants in support of planning courses.

The Corporation assisted in the establishment of the Canadian Housing Design Council as an independent body devoted to the promotion of improved design.

The booklet "Choosing a House Design" was prepared and published by the Corporation. "Principles of Small House Grouping", a booklet offering suggestions to builders on the problem of group housing design, was published and given initial distribution. The leaflet "Typical Block and Lot Grading" was published for use of builders.

NHA
Section 32

Sales of working drawings from the series of house design books in use in 1956 dropped to 8,852 sets from the 1955 record level of 12,374 sets. Additional house designs were received from architects during the year and a new book illustrating these designs will be available early in 1957.

HOUSING AND MORTGAGE RESEARCH

NHA
Section 32

The assembly of information on housing and in associated fields was expanded during 1956. This information is made available to the public by the Corporation and its analysis assists in the formulation of housing policy.

Wider circulation of information relating to housing finance and the mortgage market generally was achieved by presenting the annual review of developments in this field in the quarterly report "Canadian Housing Statistics".

Estimates of the outlook for house-building activity were provided for the White Paper on "Private and Public Investment in Canada, Outlook, 1956" and the subsequent mid-year review.

The Corporation published its brief to the Royal Commission on Canada's Economic Prospects under the title "Housing and Urban Growth in Canada".

Since 1948, information on current house-building activity has been obtained by surveys undertaken jointly by the Corporation and the Dominion Bureau of Statistics. Special surveys conducted during 1956 covered second mortgage financing on new dwellings built under the National Housing Act, and costs of furnishings, household equipment and other expenditures associated with the purchase of new homes. Other surveys, such as those relating to vacancies and rents in apartment dwellings and the total mortgage lending activities of lending institutions, were continued in 1956.

Comprehensive information is being assembled on cities and towns of over 5,000 population and fringes of metropolitan and major urban areas. This includes figures on house construction, housing stock and population, and information on wages, employment, industry, and municipal finances and services (Table 9).

ORGANIZATION AND STAFF

The Board of Directors approved the retaining of management advisory services to review the Corporation's methods and procedures. The Board also approved a training programme for personnel.

At the end of the year the staff of the Corporation numbered 2,243 as compared with 2,283 at the end of 1955.

Construction was started on an office building for the combined staffs of the Ontario Regional Office and North York Branch Office. A new branch office was established at Greenfield Park near Montreal and at the year-end the field organization comprised five regional offices, 52 branch offices, 11 loans offices and three rental offices.

A C C O U N T S

The Auditors' Report and the financial statements of the Corporation are shown on Pages 24 to 36 with comparisons for the previous year.

The gross income of the Corporation was \$33,556,900 (\$34,262,400 in 1955). Net income transferred to the Reserve Fund after providing for income tax was \$869,300 (\$1,449,800 in 1955). The amount transferred from the Reserve Fund to the credit of the Receiver General, after establishing the proceeds from properties sold, was \$5,941,100 (\$6,495,400 in 1955). Total assets of the Corporation, including assets of the Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantee Funds, increased by \$1,639,300 from \$680,723,400 to \$682,362,700

CMHC Act
Section 30

AUDITORS' REPORT



AUDITORS' REPORT TO THE MINISTER OF PUBLIC WORKS:

We have examined the attached financial statements of Central Mortgage and Housing Corporation for the year ended December 31 1956 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we have considered necessary in the circumstances.

In our opinion, proper books of account have been kept and the financial statements of the Corporation were prepared on a basis consistent with that of the preceding year and are in agreement with the books.

The transactions of the Corporation that have come under our notice have been, in our opinion, within the powers of the Corporation.

In our opinion, the attached financial statements are properly drawn up so as to give a true and fair view of the state of the Corporation's affairs as at December 31 1956 and of the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Corporation.

	C.A.		C.A.
of the firm		of the firm	
Price Waterhouse & Co.		Chartré, Samson, Beauvais,	
		Bélair & Cie	

Ottawa, February 15 1957.

FINANCIAL STATEMENTS

DECEMBER 31 1956

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CENTRAL MORTGAGE AND HOUSING CORPORATION

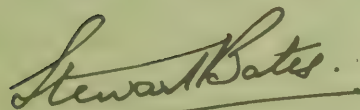
ASSETS	1956	1955
Cash	\$ 2,448,234	\$ 3,550,056
Government of Canada short term securities, at approximate market value	7,962,760	4,975,142
Accounts receivable, less allowance of \$37,352 for doubtful accounts	379,846	355,161
Expenditures recoverable from Provincial Governments under Federal-provincial Agreements	858,306	290,096
Due from the Minister of Public Works on current account	646,192	300,674
Loans under the Housing Acts, including \$1,820,774 interest accrued or receivable	417,910,886	426,048,238
Agreements for Sale and Mortgages arising from sales of properties, including \$390,517 accrued interest	99,458,031	99,696,244
Advances to Municipalities and others on deferred repayment terms, including \$22,718 accrued interest	3,301,442	3,549,278
Real Estate, including business premises—at cost or at values placed by the Board of Directors on properties acquired in 1948 from Wartime Housing Limited and War Assets Corporation, less \$16,584,521 accumulated depreciation	92,156,745	99,028,391
Corporation's share in the joint ownership of Real Estate under Federal-provincial Agreements	31,321,228	28,046,986
Office furniture and sundry equipment, less \$924,573 accumulated depreciation	577,335	612,730
Government bonds received as security deposits from contractors and others	622,250	380,300
Other assets	293,946	294,338
	<u>\$657,937,201</u>	<u>\$667,127,634</u>
Assets of the Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantee Funds	24,425,511	13,595,795
	<u>\$682,362,712</u>	<u>\$680,723,429</u>

BALANCE SHEET — DECEMBER 31 1956

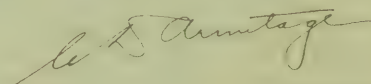
(WITH COMPARATIVE FIGURES FOR 1955)

STATEMENT I

LIABILITIES	1956	1955
Accounts payable and accrued charges	\$ 1,579,576	\$ 1,505,906
Contractors' holdbacks, and deposits from contractors and others	7,503,897	5,471,404
Unearned fees, rentals, and payments received on sales of Real Estate in process of execution	735,725	1,053,037
Employees' Retirement Fund	77,122	75,458
Reserve for Purchase Guarantees	58,123	58,123
Due to the Minister of Public Works for profits (net) in respect of loans, guarantees and other commitments under the Housing Acts	45,361	(526)
Due to the Receiver General in respect of the excess in Reserve Fund over statutory limitation	5,941,099	6,495,401
Estimated income tax less instalments paid	235,616	756,641
Borrowings from the Government of Canada, evidenced by debentures of the Corporation:		
For lending under the Housing Acts, including \$5,049,267 accrued interest	405,549,267	411,063,130
For acquisition and construction of Real Estate under Federal-provincial Agreements, including \$762,785 accrued interest	32,138,483	28,756,575
For acquisition and construction of Real Estate, including \$1,593,378 accrued interest	105,227,014	109,556,941
Surplus arising from valuation of properties acquired in 1948 from Wartime Housing Limited and War Assets Corporation	5,428,528	6,723,497
Unrealized profits on Real Estate sold on deferred payment terms	63,417,390	65,612,047
Capital, authorized and fully paid by the Government of Canada	25,000,000	25,000,000
Reserve Fund	5,000,000	5,000,000
	<u>\$657,937,201</u>	<u>\$667,127,634</u>
Reserves for Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantees	24,425,511	13,595,795
	<u>\$682,362,712</u>	<u>\$680,723,429</u>



President



Chief Accountant

RESERVE FUND FOR THE YEAR

Balance, January 1	
Add:	
Net Income for the year	
Adjustments to prior years' Net Income	
Profits realized on sales of properties acquired from Wartime Housing Limited and War Assets Corporation	
Deduct:	
Excess over statutory limitation—transferred to the credit of the Receiver General . . .	
Balance, December 31	

LOANS UNDER THE HOUSING ACTS FOR

	<u>Balances December 31 1955</u>	
	<u>Number of Loans Outstanding</u>	<u>Value</u>
<i>Joint Loans (Corporation's Share)</i>	139,650	\$257,592,808
<i>Uninsured Corporation Loans</i>		
Limited-dividend Housing Companies	69	35,370,459
Mining, Lumbering, Logging and Fishing Industries	8	920,617
Builders and Home Owners	5,755	40,690,534
Builders and Others, under Rental Guarantee Contracts	585	86,071,488
	<u>6,417</u>	<u>163,053,098</u>
<i>Insured Corporation Loans</i>		
Builders and Home Owners	372	4,412,143
	<u>146,439</u>	<u>\$425,058,049</u>

AGREEMENTS FOR SALE AND MORTGAGES ARISING FROM SALES OF

	<u>Balances December 31 1955</u>	
	<u>Number of Accounts Outstanding</u>	<u>Value</u>
<i>Agreements for Sale</i>	25,550	\$77,675,569
(Converted to Mortgages during the year)		
<i>Mortgages</i>	5,236	21,632,695
(Converted from Agreements for Sale during the year)		
	<u>30,786</u>	<u>\$99,308,264</u>

ENDED DECEMBER 31 1956

STATEMENT III

(WITH COMPARATIVE FIGURES FOR 1955)

1956		1955	
	\$ 5,000,000		\$ 5,000,000
\$ 869,304		\$1,449,788	
		111,982	
<u>5,071,795</u>	<u>5,941,099</u>	<u>4,933,631</u>	<u>6,495,401</u>
	10,941,099		11,495,401
	<u>5,941,099</u>		<u>6,495,401</u>
	<u>\$ 5,000,000</u>		<u>\$ 5,000,000</u>

THE YEAR ENDED DECEMBER 31 1956

STATEMENT IV

				Balances December 31 1956	
Number of New Loans	Advances and Other Charges during 1956	Number of Loans Paid in Full	Repayments during 1956	Number of Loans Outstanding	Value
<u>24</u>	<u>\$ 346,192</u>	<u>4,990</u>	<u>\$17,370,866</u>	<u>134,684</u>	<u>\$240,568,134</u>
18	11,280,660		2,116,677	87	44,534,442
1	289,891		117,603	9	1,092,905
32	3,186,945	109	5,134,021	5,678	38,743,458
	6,501,156	2	9,036,969	583	83,535,675
<u>51</u>	<u>21,258,652</u>	<u>111</u>	<u>16,405,270</u>	<u>6,357</u>	<u>167,906,480</u>
522	5,929,284	78	2,725,929	816	7,615,498
<u>597</u>	<u>\$27,534,128</u>	<u>5,179</u>	<u>\$36,502,065</u>	<u>141,857</u>	<u>\$416,090,112</u>
				Interest Accrued or Receivable	1,820,774
					<u>\$417,910,886</u>

PROPERTIES FOR THE YEAR ENDED DECEMBER 31 1956

STATEMENT V

				Balances December 31 1956	
Number of New Accounts	Sales, Transfers and Other Charges during 1956	Number of Accounts Paid in full	Payments during 1956	Number of Accounts Outstanding	Value
<u>7</u>	<u>\$ 7,846,693</u>	<u>830</u>	<u>\$13,107,013</u>	<u>24,221</u>	<u>\$70,646,269</u>
(506)	(1,768,980)				
1,189	9,400,886	176	4,381,316	6,755	28,421,245
506	1,768,980				
<u>1,196</u>	<u>\$17,247,579</u>	<u>1,006</u>	<u>\$17,488,329</u>	<u>30,976</u>	<u>\$99,067,514</u>
				Accrued Interest	390,517
					<u>\$99,458,031</u>

REAL ESTATE FOR THE YEAR

	<i>Balances December 31 1955</i>		<i>Additions and Transfers during 1956</i>	
	<i>Units</i>	<i>Amount</i>	<i>Units</i>	<i>Amount</i>
<i>Business Premises for Corporation Use . . .</i>	<u>36</u>	<u>\$ 3,066,581</u>	—	<u>\$ 197,550</u>
<i>Rental Housing</i>				
Warworkers' Houses	1,152	602,635	(1)	4,754
Servicemen's Houses				
1947 and prior Programmes	1,468	4,404,000	(1)	(3,000)
1948 and 1949 Programmes	11,850	83,488,126		52,122
Multiple Dwellings	623	5,364,918		
Housing acquired from Limited-dividend Housing Companies:				
Single Houses	242	1,881,646		
Multiple Dwellings	1,101	8,488,961		2,353
Garages	232			
Pembroke Housing Project	49	509,927	1	8,619
Gander Townsite Development	130	2,267,760	96	824,254
	<u>16,847</u>	<u>107,007,973</u>	<u>95</u>	<u>889,102</u>
<i>Housing Acquired under Guarantee</i>				
<i>Agreements</i>	<u>15</u>	<u>140,202</u>	—	<u>1,371</u>
<i>Ajax Industrial Townsite</i>				
Rental Housing	236	1,451,605		
Other Properties	75	1,937,986		65,468
	<u>311</u>	<u>3,389,591</u>	—	<u>65,468</u>
<i>Other Real Estate</i>				
Vacant Land		378,763		19,438
Miscellaneous	31	113,191	7	85,259
	<u>31</u>	<u>491,954</u>	<u>7</u>	<u>104,697</u>
	<u>17,240</u>	<u>\$114,096,301</u>	<u>102</u>	<u>\$1,258,188</u>

CORPORATION'S SHARE IN THE JOINT OWNERSHIP OF REAL ESTATE FOR THE YEAR ENDED

	<i>Balances December 31 1955</i>	<i>Additions and Transfers during 1956</i>
Rental Housing Projects	\$22,246,790	\$3,003,732
Land Assembly Projects	5,907,150	897,061
Expenditures under Preliminary Agreements .	5,702	(2,390)
	<u>\$28,159,642</u>	<u>\$3,898,403</u>

STATEMENT VI

Dispositions during 1956

<u>Units</u>	<u>Amount</u>
4	\$ 8,778

354	38,698
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418	1,254,000
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685	4,604,974
-----	-----------

1,457	5,897,672
-------	-----------

2	19,157
---	--------

41	405,599
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4	183,169
---	---------

45	588,768
----	---------

	11,395
--	--------

9	87,453
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9	98,848
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1,517	\$6,613,223
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Balances December 31 1956

<u>Units</u>	<u>Amount</u>	<u>Accumulated Depreciation and Amortization</u>	<u>Net Book Value</u>
32	\$ 3,255,353	\$ 324,492	\$ 2,930,861

797	568,691		568,691
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1,049	3,147,000	915,617	2,231,383
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11,165	78,935,274	11,292,162	67,643,112
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623	5,364,918	1,070,116	4,294,802
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242	1,881,646	410,109	1,471,537
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1,101 }	8,491,314	1,855,962	6,635,352
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232 }			
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50	518,546	14,211	504,335
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226	3,092,014	114,443	2,977,571
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15,485	101,999,403	15,672,620	86,326,783
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13	122,416	5,517	116,899
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195	1,046,006	247,596	798,410
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71	1,820,285	284,012	1,536,273
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266	2,866,291	531,608	2,334,683
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	386,806	28,784	358,022
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29	110,997	21,500	89,497
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29	497,803	50,284	447,519
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15,825	\$108,741,266	\$16,584,521	\$92,156,745
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STATEMENT VII

Dispositions during 1956

\$275,436

227,158

3,312

\$505,906

Balances December 31 1956

<u>Amount</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
\$24,975,086	\$230,911	\$24,744,175
6,577,053		6,577,053
\$31,552,139	\$230,911	\$31,321,228

ASSETS OF THE MORTGAGE INSURANCE, HOME IMPROVEMENT

DECEMBER

(WITH COMPARATIVE)

	<i>Mortgage Insurance Fund</i>	
	<u>1955</u>	<u>1956</u>
Cash	\$ 891,739	\$ 340,730
Securities issued or guaranteed by the Government of Canada, at amortized cost	10,758,692	21,519,684
Approximate market values—		
Mortgage Insurance Fund	\$20,189,500	
Home Improvement Loan Insurance Fund	519,000	
Rental Guarantee Fund	<u>1,541,000</u>	
	<u>\$22,249,500</u>	
Accrued Interest	<u>134,078</u>	<u>285,414</u>
	<u>\$11,784,509</u>	<u>\$22,145,828</u>

RESERVES FOR MORTGAGE INSURANCE, HOME IMPROVEMENT LOAN INSURANCE

	<i>Reserve for Mortgage Insurance</i>		
	<i>Total to December 31 1955</i>	<i>Year 1956</i>	<i>Total to December 31 1956</i>
Fees and premiums received	\$11,627,100	\$ 9,839,746	\$21,466,846
Net income from securities	157,409	521,573	678,982
Recoveries on claims paid	<u>11,784,509</u>	<u>10,361,319</u>	<u>22,145,828</u>
Deduct:			
Claims paid			
Loss on sale of securities			
Legal expenses			
	<u>\$11,784,509</u>	<u>\$10,361,319</u>	<u>\$22,145,828</u>

Mortgage insurance in force \$1,083,000,000
Amount insured in respect of Home Improvement loans \$ 2,815,000
Current year's rentals covered by Rental Guarantee contracts \$ 16,000,000

LOAN INSURANCE AND RENTAL GUARANTEE FUNDS

STATEMENT VIII

1 1956

FIGURES FOR 1955)

<i>Home Improvement Loan Insurance Fund</i>		<i>Rental Guarantee Fund</i>		<i>Totals</i>	
<u>1955</u>	<u>1956</u>	<u>1955</u>	<u>1956</u>	<u>1955</u>	<u>1956</u>
\$273,682	\$ 17,231	\$ (274,818)	\$ 64,859	\$ 890,603	\$ 422,820
	545,307	1,795,159	1,632,608	12,553,851	23,697,599
	7,259	17,263	12,419	151,341	305,092
<u>\$273,682</u>	<u>\$569,797</u>	<u>\$1,537,604</u>	<u>\$1,709,886</u>	<u>\$13,595,795</u>	<u>\$24,425,511</u>

ND RENTAL GUARANTEES FOR THE YEAR ENDED DECEMBER 31 1956

<i>Reserve for Home Improvement Loan Insurance</i>			<i>Reserve for Rental Guarantees</i>			<i>Totals</i>
<i>Total to December 31 1955</i>	<i>Year 1956</i>	<i>Total to December 31 1956</i>	<i>Total to December 31 1955</i>	<i>Year 1956</i>	<i>Total to December 31 1956</i>	<i>December 31 1956</i>
\$269,882	\$295,337	\$565,219	\$1,671,544	\$369,482	\$2,041,026	\$24,073,091
3,800	12,029	15,829	109,217	42,806	152,023	846,834
	284	284				284
<u>273,682</u>	<u>307,650</u>	<u>581,332</u>	<u>1,780,761</u>	<u>412,288</u>	<u>2,193,049</u>	<u>24,920,209</u>
	11,420	11,420	243,157	238,106	481,263	492,683
				1,900	1,900	1,900
	115	115				115
	11,535	11,535	243,157	240,006	483,163	494,698
<u>\$273,682</u>	<u>\$296,115</u>	<u>\$569,797</u>	<u>\$1,537,604</u>	<u>\$172,282</u>	<u>\$1,709,886</u>	<u>\$24,425,511</u>

NOTES TO FINANCIAL STATEMENTS

ASSETS

Government of Canada Short-term Securities

Investment of surplus cash funds in Treasury Bills maturing early in 1957. Proceeds available for discharging obligation to Receiver General.

Accounts Receivable

Balances due from local housing authorities in respect of annual instalments on Corporation's share of investment in Federal-Provincial housing projects, rentals due from housing tenants and sundry amounts receivable from Government and Municipal agencies and others.

Expenditures Recoverable from Provincial Governments under Federal-Provincial Agreements

Expenditures representing provincial share of the cost of land assembly and rental housing projects currently recoverable from Provincial Governments.

Due from the Minister of Public Works on Current Account

Residue to be collected for: (a) Fees and expenses for supervision of construction of married quarters and schools for the Department of National Defence; (b) construction expenditures relating to housing projects at Whitehorse, Y.T., and Kitimat, B.C., for rental to Government employees; (c) expenditures under Part V of the National Housing Act, 1954; less (d) net income collected from Emergency Shelter projects.

Advances to Municipalities and Others on Deferred Repayment Terms

Balances recoverable in respect of monies advanced to finance installation of ground services for housing and land assembly projects under arrangements made directly with municipalities under Section 37 of the National Housing Act or in Partnership with Provincial Governments under Section 36 of the National Housing Act.

Corporation's Share in the Joint Ownership of Real Estate under Federal-Provincial Agreements

Comprises 75% of the unamortized cost of rental housing projects and unsold lots in land assembly projects. Investment in rental housing projects is subject to recovery through rental earnings and cost of land assembly projects is recoverable from proceeds of lot sales.

Other Assets

Deferred expense on group and other insurance premiums, accountable advances to employees, inventories of maintenance materials at rental housing projects, fuel and cafeteria foodstuffs at major offices and special projects, and prepaid expenses representing grants to municipalities in lieu of taxes on real estate.

Assets of the Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantee Funds

In 1956 amendments to the NHA, 1954, established funds in respect of Home Improvement Loan Insurance and Rental Guarantees. The comparative figures used for 1955 for these two funds reflect the situation as though the amendments had been in effect at the end of that year.

LIABILITIES

Accounts Payable and Accrued Charges

Unpaid progress estimates owing to construction contractors, amounts for operating purposes currently owing or accrued, interest accrued on security deposits received from contractors, balances owing to Provincial Governments under Federal-Provincial Agreements, and to municipalities in respect of their participation in profits on house sales.

Contractors' Holdbacks, and Deposits from Contractors and Others

Payments withheld in respect of work performed and deposits of cash and bonds received from construction contractors to guarantee satisfactory completion of contracts, security deposits from tenants, deposits from borrowers to cover cost of replacements and repairs as provided for in rental guarantee contracts, unexpended advances from Department of National Defence and Atomic Energy of Canada Limited used for working capital in respect of special housing projects, and deposits relative to rental guarantee premiums not yet due.

Unearned Fees, Rentals, and Payments Received on Sales of Real Estate in Process of Execution

Portion not yet considered to be earned of application fees received for processing mortgage loans, rentals paid in advance by tenants, payments received on account of sales of real estate not fully processed.

Employees' Retirement Fund

Amounts deposited by employees not eligible for Pension Fund benefits, and interest accrued thereon, held pending retirement or separation. A Pension Fund, established under authority of the CMHC Act, is not included in these statements, being vested in trustees.

Reserve for Purchase Guarantees

Premiums collected from builders of Defence Workers' housing projects for guarantees to purchase houses unsold by them, held as a contingency reserve. 26 houses have been acquired, 19 have been sold without loss, 6 of which are still in process of documentation, 7 remain unsold and are being rented.

Due to the Minister of Public Works for Profits (net) in Respect of Loans, Guarantees and Other Commitments under the Housing Acts

Operating profits less losses on Corporation's share in Federal-Provincial housing projects, Corporation's share of expenses on projects not proceeded with, profits

less losses on disposal of properties acquired by foreclosure of defaulted joint loans, profits on land assembly transactions carried out under arrangements with lending institutions, losses less profits on disposal of properties acquired under guarantee to builders or by foreclosure of Corporation loans.

Borrowings from the Government of Canada

	Amount Borrowed in 1956	Amount Repaid in 1956
Borrowings for lending under the Housing Acts authorized in Section 22 of the Central Mortgage and Housing Corporation Act (\$ million)	—	5.5
Borrowings for acquisition and construction of real estate under Federal-Provincial Agreements, authorized under Section 36 of the National Housing Act, 1954 (\$ million)	4.0	.7
Borrowings for acquisition and construction of real estate authorized under Section 37 of the National Housing Act, 1954 (\$ million)	—	4.3

Surplus Arising from Valuation of Properties Acquired in 1948 from Wartime Housing Limited and War Assets Corporation
Capitalized value of remaining real estate acquired without cost from Wartime Housing Limited, and of remaining property at Ajax industrial townsite acquired from War Assets Corporation.

Unrealized Profits on Real Estate Sold on Deferred Payment Terms

- Uncollected balances due to the Minister on sales of real estate acquired by the Corporation without cost.
- Uncollected portion of profits on dispositions of real estate acquired by Corporation capital expenditure.

Reserve Fund

Limited to \$5,000,000 under Section 30 of the Central Mortgage and Housing Corporation Act.

INCOME

In 1956 repayments on loans under the Housing Acts exceeded advances on loans by \$9,000,000 resulting in a decline in gross interest earned below 1955 by \$262,000.

During 1956, 95 new rental units were added to the housing inventory and 1,500 rental units were sold, resulting in a net decrease of approximately 8% in the number of units under administration. However, the decrease in rental revenue was only 3% of that earned in 1955. The smaller reduction in revenue as compared to the reduction in units results from the fact that most of the sales were made in the latter part of the year, from increased rentals and the disposition of low-revenue producing units. Higher payments in lieu of taxes and increased maintenance expense prevented a proportionate decrease in the cost of administering real estate.

Interest earned on the Corporation's share in projects under Federal-Provincial Agreements is based on the interest rate prescribed in covering agreements. Gross earnings reported in 1956 were \$88,000 higher than in 1955 because of a greater investment by the Corporation in this type of real estate.

Payments on agreements for sale and mortgages exceeded charges to these accounts in 1956 by approximately \$240,000 but higher average interest rates resulted in an increase of gross earnings in this classification of \$42,000.

Application fees collected in 1956 on insured mortgage loans were \$893,000 less than in 1955. The carry-over of unearned fees from 1955, treated as fully-earned in 1956, plus the earned portion of fees collected during the current year declined by \$415,000 in fees earned.

An increase in the volume of construction for the Department of National Defence and other Government Departments and agencies resulted in fees earned for services rendered being \$55,000 greater in 1956 than in the previous year.

Net profits realized on dispositions of real estate acquired by capital expenditure were \$29,000 higher in 1956 because of increased sales activity.

The net increase of \$34,000 in Miscellaneous Income in 1956 is accounted for partly by the discount earned on purchases of Treasury Bills acquired with surplus cash funds and by premiums totalling \$25,000, received in connection with sales of insured mortgage loans. On the other hand, fees earned for appraisals and inspections in respect of Corporation loans made prior to the NHA, 1954, decreased to \$5,000 in 1956 as compared with \$29,000 in 1955.

ADMINISTRATIVE EXPENDITURE

Administrative expenditure increased in 1956 by \$506,000 over 1955.

Salary payments accounted for \$425,500 of this increase and travel expenses for \$27,000.

Interest accrued on contractors' security deposits at the year-end and interest payments made during the year resulted in an increase of \$74,600 in this classification of expense over the previous year.

Depreciation rates on business premises were increased in 1956 to conform to rates allowed by the income tax division of the Department of National Revenue for taxation purposes. This resulted in an increase of \$70,000 over the amount reported for 1955.

The Corporation's contribution to the Pension Fund was \$38,000 lower in 1956 than in 1955. In 1955 the admission of a number of contract employees to the Pension Fund required the Corporation to contribute approximately \$101,000 to provide for their total service to the date of admission and the same situation did not recur in 1956. Group insurance expense declined by \$41,000 because of lower premiums and greater dividends.

S T A T I S T I C S

TABLES

- 1 Housing Units Started and Completed, 1935-1956.
- 2 Housing Units Started and Completed, by Province, 1956.
- 3 Housing Units Started, by Locality, 1956.
- 4 Mortgage Loans Approved Under the Housing Acts, 1935-1956.
- 5 Mortgage Loans Approved Under the Housing Acts, by Province, 1956.
- 6 Home Improvement and Home Extension Loans Approved, by Province, 1956.
- 7 Federal-Provincial Projects Under the Housing Acts, 1950-1956.
- 8 Housing Units Under Rental and Sold, 1947-1956.
- 9 Expenditures on Housing Research and Community Planning, 1946-1956.
- 10 Summary of Construction Activities of Central Mortgage and Housing Corporation, by Programme, 1956.

TABLE 1

HOUSING UNITS STARTED AND COMPLETED, 1935-1956

YEAR	HOUSING UNITS STARTED			HOUSING UNITS COMPLETED		
	Total	Under the Housing Acts	Other	Total	Under the Housing Acts	Other
1935	33,900	72	33,828	31,800	—	31,800
1936	41,000	729	40,271	38,000	570	37,430
1937	45,100	1,797	43,303	46,900	2,118	44,782
1938	43,900	3,643	40,257	41,400	2,313	39,087
1939	48,900	5,947	42,953	48,800	4,669	44,131
1940	52,600	5,738	46,862	49,000	6,816	42,184
1941	51,200	4,466	46,734	53,200	4,573	48,627
1942	40,000	1,120	38,880	42,800	3,195	39,605
1943	36,100	1,731	34,369	32,700	1,064	31,636
1944	41,500	1,466	40,034	36,500	1,637	34,863
1945	55,181	4,737	50,444	42,488	5,094	37,394
1946	64,355	11,520	52,835	60,454	4,817	55,637
1947	74,263	10,190	64,073	72,218	10,970	61,248
1948	90,194	26,235	63,959	76,097	20,768	55,329
1949	90,509	29,253	61,256	88,233	29,178	59,055
1950	92,531	43,522	49,009	89,015	36,400	52,615
1951	68,579	21,439	47,140	81,310	38,782	42,528
1952	83,246	34,400	48,846	73,087	20,633	52,454
1953	102,409	39,989	62,420	96,839	35,506	61,333
1954	113,527	50,373	63,154	101,965	39,137	62,828
1955	138,276	65,380	72,896	127,929	58,852	69,077
1956	127,311	43,397	83,914	135,700	61,959	73,741
TOTAL	1,534,581	407,144	1,127,437	1,466,435	389,051	1,077,384

TABLE 2

HOUSING UNITS STARTED AND COMPLETED, BY PROVINCE, 1956

PROVINCE	HOUSING UNITS STARTED			HOUSING UNITS COMPLETED		
	Total	Under the Housing Acts	Other	Total	Under the Housing Acts	Other
Newfoundland	1,652	267	1,385	1,510	295	1,215
Prince Edward Island	114	16	98	171	29	142
Nova Scotia	2,871	675	2,196	2,549	824	1,725
New Brunswick	3,381	482	2,899	2,450	653	1,797
Quebec	35,999	7,333	28,666	41,166	10,665	30,501
Ontario	48,712	21,304	27,408	51,201	31,338	19,863
Manitoba	5,204	2,135	3,069	6,438	3,397	3,041
Saskatchewan	3,779	1,630	2,149	3,603	2,072	1,531
Alberta	10,662	5,440	5,222	11,622	7,043	4,579
British Columbia	14,937	4,113	10,824	14,990	5,641	9,349
SUB-TOTAL (Provinces)	127,311	43,395	83,916	135,700	61,957	73,743
Northwest Territories	—	2	—	—	2	—
CANADA	—	43,397	—	—	61,959	—

HOUSING UNITS STARTED, BY LOCALITY, 1956

TABLE 3

LOCALITY	Population (000)	TOTAL		UNDER THE HOUSING ACT		OTHER	
		Number	Per 1,000 Population	Number	Per 1,000 Population	Number	Per 1,000 Population
Metropolitan Area							
Calgary	196	3,742	19	2,130	11	1,612	8
Edmonton	245	3,203	13	2,356	10	847	3
Halifax	160	1,189	7	510	3	679	4
Hamilton	326	3,401	10	1,867	6	1,534	4
London	153	1,370	9	866	6	504	3
Montreal	1,595	19,168	12	4,371	3	14,797	9
Ottawa-Hull	335	4,261	13	2,395	7	1,866	6
Quebec	301	2,651	9	370	1	2,281	8
Saint John	85	337	4	129	2	208	2
St. John's	78	463	6	77	1	386	5
Toronto	1,348	16,878	12	7,151	5	9,727	7
Vancouver	659	8,450	13	2,502	4	5,948	9
Victoria	123	1,187	10	321	3	866	7
Windsor	184	1,397	8	892	5	505	3
Winnipeg	410	3,389	8	2,020	5	1,369	3
Sub-Total	6,198	71,086	11	27,957	4	43,129	7
Major Centres							
Brantford	58	306	5	147	2	159	3
Chicoutimi-Jonquière	88	655	7	266	3	389	4
Ft. William-Pt. Arthur	85	517	6	211	2	306	4
Guelph	38	341	9	217	6	124	3
Kingston	62	469	8	229	4	240	4
Kitchener	87	928	11	533	6	395	5
Moncton	56	409	7	210	4	199	3
Niagara Falls	51	411	8	221	4	190	4
Oshawa	72	685	10	427	6	258	4
Peterborough	55	374	7	259	5	115	2
Regina	89	1,011	11	565	6	446	5
St. Catharines	93	767	8	555	6	212	2
Sarnia	52	569	11	319	6	250	5
Saskatoon	71	990	14	728	10	262	4
Sault Ste. Marie	50	456	9	213	4	243	5
Shawinigan Falls	59	372	6	71	1	301	5
Sherbrooke	67	329	5	48	1	281	4
Sudbury	94	695	7	289	3	406	4
Sydney	107	245	2	45	—	200	2
Timmins	39	23	1	3	—	20	1
Trois-Rivières	81	409	5	42	—	367	5
Sub-Total	1,454	10,961	8	5,598	4	5,363	4
OTHER LOCALITIES	8,429	45,264	5	9,842	1	35,422	4
CANADA	16,081	127,311	8	43,397	3	83,914	5

TABLE 4

MORTGAGE LOANS APPROVED UNDER THE HOUSING ACTS, 1935-1956

HOUSING ACT AND PERIOD	NUMBER OF LOANS	NUMBER OF HOUSING UNITS	AMOUNT (\$000)
Dominion Housing Act, 1935:			
1935 (October 1-December 31)	73	97	514
1936	550	788	3,778
1937	1,311	1,817	7,524
1938 (January 1-July 31)	1,149	2,197	7,803
Sub-Total	3,083	4,899	19,619
National Housing Act, 1938:			
1938 (August 1-December 31)	1,198	1,697	6,037
1939	4,315	5,973	19,142
1940	4,897	5,621	16,721
1941	4,370	4,323	13,508
1942	1,138	1,093	3,170
1943	1,721	1,721	5,454
1944	1,393	1,393	4,855
1945	-407	-407	-1,368
Sub-Total	18,625	21,414	67,519
National Housing Act, 1944:			
1945 (February 1-December 31)	4,838	5,387	22,511
1946	7,341	11,827	55,951
1947	8,886	10,933	53,230
1948	15,313	18,776	104,291
1949	18,047	25,166	140,830
1950	33,934	42,280	284,487
1951	14,916	19,283	123,621
1952	23,718	34,323	249,084
1953	26,514	38,648	290,823
1954	4,629	7,603	56,313
1955	6	-97	-1,848
1956	52	80	188
Sub-Total	158,194	214,209	1,379,481
National Housing Act, 1954:			
1954 (March 22-December 31)	34,946	42,516	397,197
1955	56,143	65,433	617,160
1956	35,742	41,203	406,944
Sub-Total	126,832	149,153	1,421,301
TOTAL	306,734	389,675	2,887,920

MORTGAGE LOANS APPROVED UNDER THE HOUSING ACTS, BY PROVINCE, 1956

TABLE 5

PROVINCE	NUMBER OF LOANS	NUMBER OF HOUSING UNITS	AMOUNT (\$000)
Newfoundland	200	178	2,002
Prince Edward Island	12	12	124
Nova Scotia	547	650	6,087
New Brunswick	398	412	3,916
Quebec	5,390	7,105	68,205
Ontario	17,466	20,292	202,763
Manitoba	2,026	2,136	19,814
Saskatchewan	1,252	1,528	13,544
Alberta	4,899	5,080	50,737
British Columbia	3,602	3,888	39,914
Northwest Territories	2	2	26
Yukon Territory	—	—	—
CANADA	35,794	41,283	407,132

HOME IMPROVEMENT AND HOME EXTENSION LOANS APPROVED, BY PROVINCE, 1956

TABLE 6

PROVINCE	HOME IMPROVEMENT LOANS		HOME EXTENSION LOANS		
	No. of Loans	Amount (\$000)	No. of Loans	No. of Additional Housing Units	Amount (\$000)
Newfoundland	862	984	—	—	—
Prince Edward Island	50	53	—	—	—
Nova Scotia	1,804	1,435	1	2	5
New Brunswick	561	611	4	4	12
Quebec	1,899	2,629	19	23	53
Ontario	11,776	9,916	24	31	73
Manitoba	1,243	1,162	1	1	2
Saskatchewan	1,029	1,067	1	1	2
Alberta	2,759	2,669	6	7	15
British Columbia	8,306	8,938	3	4	15
Northwest Territories	20	30	—	—	—
Yukon Territory	12	16	—	—	—
CANADA	30,321	29,510	59	73	177

TABLE 7

FEDERAL-PROVINCIAL PROJECTS UNDER THE HOUSING ACTS, 1950-1956

YEAR AND PROVINCE	LAND ASSEMBLY				RENTAL HOUSING UNITS			
	Area Authorized (acres)	Expenditures, Land and Improvements (\$000)	Number of Lots			Expenditures (\$000)	Authorized	Completed
			Authorized	Developed	Sold			
1950	825.0	279	1,768	—	—	517	340	—
1951	607.7	896	2,974	135	98	1,329	1,495	140
1952	1,198.4	1,591	5,950	1,093	486	9,447	732	426
1953	1,822.4	1,834	1,086	922	930	11,752	378	1,518
1954	6,616.3	4,159	1,521	1,880	920	6,297	1,495	580
1955	336.0	1,439	175	440	738	3,330	968	167
Sub-Total	11,405.8	10,198	13,474	4,470	3,172	32,672	5,408	2,976
1956	—	—	—	—	—	—	—	—
Newfoundland	—	—	—	—	—	—	—	—
Prince Edward Island	—	—	—	—	—	—	—	—
Nova Scotia	—	—	—	—	—	—	—	—
New Brunswick	—	—	—	—	—	—	—	—
Quebec	—	—	—	—	—	—	—	—
Ontario	—291.9	1,996	—476	707	968	—	200	72
Manitoba	—	—	—	—	—	3,966	165	593(3)
Saskatchewan	55.0	7	256	—	—	—	—	—
Alberta	—	—	—	—	—	17	—	—
British Columbia	—	64	—8	132	42	—	—	—
Total	11,168.9	12,265	13,246	5,309	4,210	37,367	5,928	3,117

(1) Includes 45 starts made for houses to be moved from a Corporation project to a Federal-Provincial project in Hamilton.

(2) Includes 65 completions for houses moved from a Corporation project to a Federal-Provincial project in Hamilton.

(3) Includes 175 starts made for houses to be moved from a Corporation project to a Federal-Provincial project in Hamilton.

TABLE 8

HOUSING UNITS UNDER RENTAL AND SOLD, 1947-1956

YEAR AND PROVINCE	NUMBER OF HOUSING UNITS			
	<i>Under Rental as at January 1</i>	<i>Acquired (1)</i>	<i>Sold (2)</i>	<i>Under Rental as at December 31</i>
1947	28,694	8,268	1,923	35,039
1948	35,039	7,498	5,422	37,115
1949	37,115	7,886	3,653	41,348
1950	41,348	4,464	7,156	38,656
1951	38,656	721	14,602	24,775
1952	24,775	301	5,432	19,644
1953	19,644	441	1,789	18,296
1954	18,296	69	723	17,642
1955	17,642	86	1,154	16,574
1956	16,574	104	1,574(3)	15,104
Newfoundland	180	96	—	276
Prince Edward Island	29	—	—	29
Nova Scotia	433	—	28	405
New Brunswick	691	—	17	674
Quebec	1,898	—	48	1,850
Ontario	5,786	5	584(3)	5,207
Manitoba	2,110	1	330	1,781
Saskatchewan	1,109	—	178	931
Alberta	1,281	1	81	1,201
British Columbia	3,057	1	308	2,750

(1) Includes units acquired under guarantee to builders, units acquired from Housing Enterprises of Canada Ltd., from Atomic Energy Commission, reposessions and cancelled sales, in addition to units built for rental.

(2) Includes Home Conversion Plan units returned to owners, and the Deep River Project returned to Atomic Energy Commission.

(3) Includes 159 housing units moved from a Corporation to a Federal-Provincial Project in Hamilton.

TABLE 9

EXPENDITURES ON HOUSING RESEARCH AND COMMUNITY PLANNING, 1946-1956

TYPE OF EXPENDITURE	1946-1951 \$	1952 \$	1953 \$	1954 \$	1955 \$	1956 \$	1946-1956 \$
<i>Central Mortgage and Housing Corporation</i>							
Economic and Related Research . . .	497,519	97,896	106,044	155,789	171,749	190,185	1,219,182
Architectural Investigations	219,621	29,236	33,265	70,690	59,324	130,487	542,623
Technical Investigations	799	2,372	503	252	-20	75,187	79,093
Community Planning	73,853	6,565	8,262	12,514	16,158	18,591	135,943
Other Housing Investigations	48,356	16,660	15,120	24,011	36,539	29,962	170,648
Information Services	135,941	47,539	56,503	94,694	64,038	54,870	453,585
Sub-Total	976,089	200,268	219,697	357,950	347,788	499,282	2,601,074
<i>Grants to Other Government Departments and Institutions</i>							
Economic and Related Research . . .	128,159	7,866	8,733	10,726	10,794	8,740	175,018
Architectural Investigations	24,522	23,375	6,625	9,791	6,450	18,380	89,143
Technical Investigations	—	—	1,500	3,027	—	—	4,527
Community Planning	423,685	102,015	109,446	111,779	124,497	161,742	1,033,164
Other Housing Investigations	93,467	10,695	14,425	4,600	—	6,300	129,487
Information Services	—	—	932	—	—	—	932
Sub-Total	669,833	143,951	141,661	139,923	141,741	195,162	1,432,271
TOTAL	1,645,922	344,219	361,358	497,873	489,529	694,444	4,033,345

SUMMARY OF CONSTRUCTION ACTIVITIES OF CENTRAL MORTGAGE AND HOUSING CORPORATION, BY PROGRAMME, 1956

PROGRAMME	NUMBER OF HOUSING UNITS			NUMBER OF SCHOOL ROOMS			NUMBER OF RESIDENTIAL LOTS			EXPENDITURES (\$000)					
	Started	Completed	Under Construction as at 31 December 1956	Started	Completed	Under Construction as at 31 December 1956	In Projects Started	In Projects Completed	In Projects Underway as at 31 December 1956	Housing	Major Improvements to Housing	Land Improvements	Schools	Other	Total
<i>Corporation Construction</i>															
Federal-Provincial Projects (1)	714	141	665	—	—	—	1,832	839	5,091	3,337	—	3,425	—	—	6,762
Rental Housing (Pembroke and Gander)	35	96	20	—	—	—	—	—	—	743	—	94	—	—	837
Permanent Improvements for Corporation-owned Housing	—	—	—	—	—	—	—	—	—	—	43	—	—	—	43
Ajax Development Project	—	—	—	—	—	—	—	—	—	—	—	—	—	87	87
Office Premises	—	—	—	—	—	—	—	—	—	—	—	—	—	258	258
<i>Construction for Other Departments and Agencies</i>															
Atomic Energy of Canada Ltd.	—	34	46	—	—	—	—	—	—	507	—	76	6	—	589
Department of Fisheries	—	—	—	—	—	—	—	—	—	—	—	—	—	1	1
Department of National Defence	1,322	966	1,636	185	160	25	—	—	—	14,608	—	4,800	2,760	—	22,168
Department of Public Works	71	—	71	—	—	—	—	—	—	754	—	111	—	—	865

(1) Includes 215 starts, 85 completions and 175 houses under construction, for houses moved from a Corporation to a Federal-Provincial project in Hamilton.

TABLE 10

CORPORATION PUBLICATIONS

REPORTS

CANADIAN HOUSING STATISTICS—A quarterly report providing statistical information on the housing situation, particularly new house-building and mortgage lending activity.

FINANCING

NHA LOANS FOR HOMES—A booklet giving a detailed explanation of the home-ownership provisions of the National Housing Act and the procedure to follow in obtaining an NHA loan.

NHA RENTAL HOUSING LOANS—A leaflet outlining the financing of rental housing projects under the terms of Section 7(1) (j) of the National Housing Act.

NHA LIMITED-DIVIDEND LOANS—A leaflet outlining loans available under Section 16 of the National Housing Act to assist in the construction of low-rental housing projects or in the purchase and conversion of existing buildings to provide such accommodation.

NHA HOME CONVERSION LOANS—A leaflet outlining the financing of alterations required in adding one or more family housing units to existing residential structures under the terms of Section 7(1) (k) of the National Housing Act.

NHA FEDERAL-PROVINCIAL PROJECTS—A leaflet outlining the provisions of Section 36 of the National Housing Act for land assembly and housing construction to be undertaken jointly by the Federal and Provincial governments.

NHA HOME IMPROVEMENT LOANS—A leaflet outlining loans available under Part IV of the National Housing Act to assist in financing home improvements.

DESIGN OF HOUSING

SMALL HOUSE DESIGNS—A catalogue of house designs for which working drawings are made available to the public at minimum cost through the co-operation of Canadian architects and Central Mortgage and Housing Corporation.

CHOOSING A HOUSE DESIGN—A book explaining to prospective home-owners the preliminary considerations vital to successful home-ownership.

PRINCIPLES OF SMALL HOUSE GROUPING—A book offering suggestions which may be helpful to house builders in discovering new and satisfactory solutions to the problem of group housing design.

CONSTRUCTION

BUILDING STANDARDS (EXCLUDING APARTMENT BUILDINGS)—A booklet setting out the minimum requirements for planning, construction and materials for buildings upon which loans are made under the National Housing Act.

APARTMENT BUILDING STANDARDS—A booklet setting out the minimum requirements for planning, construction and materials for apartment buildings upon which loans are made under the National Housing Act.

DICTIONARY OF HOUSE-BUILDING TERMS—Definitions of words describing methods and materials generally employed in the house-building industry.

GENERAL

A GUIDE TO SAFE HOME HEATING—A leaflet explaining the proper care and firing of warm air gravity furnaces.

A LOT TO BE PROUD OF—A booklet explaining proper maintenance of lawns, trees and shrubs.

BOARD OF DIRECTORS

Stewart Bates, *President*

P. S. Secord, O.B.E., *Vice-President*

R. B. Bryce, *Ottawa*

E. F. Charlton, *Halifax*

N. D. Lambert, C.B.E., *Vancouver*

Mrs. Monica McQueen, *Kingston*
Alternate Member of the Executive Committee

J. F. Parkinson, *Ottawa*
Member of the Executive Committee

J. J. Perrault, *Montreal*
Member of the Executive Committee

W. J. Waines, *Winnipeg*

Major-General H. A. Young, C.B., C.B.E., D.S.O., C.D., *Ottawa*



Secretary of the Board: Eric R. Gold

CENTRAL MORTGAGE AND HOUSING CORPORATION OFFICES

HEAD OFFICE, *Ottawa, Canada*

REGIONAL OFFICES

Halifax	Montreal	Toronto	Winnipeg	Vancouver
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BRANCH OFFICES

St. John's	Chicoutimi	Ottawa	Fort William	Trail
New Glasgow	Quebec	Kingston	Winnipeg	Kelowna
Halifax	Trois-Rivieres	Peterborough	Brandon	Kitimat
Moncton	Sherbrooke	Ajax	Regina	New Westminster
Fredericton	Montreal Area	Toronto Area	Moose Jaw	Vancouver
	Montreal City	Scarborough	Saskatoon	Prince George
	St. Michel	Etobicoke	Lethbridge	North Vancouver
	Dorval	North York	Calgary	Victoria
	St. Laurent	Hamilton	Red Deer	Nanaimo
	Greenfield Park	St. Catharines	Edmonton	
	Val d'Or	Niagara Falls		
		Guelph		
		Brantford		
		Kitchener		
		London		
		Sarnia		
		Windsor		
		Sudbury		
		Sault Ste. Marie		

LOANS OFFICES

Gander	Rimouski	Cornwall	Chilliwack
Saint John		Belleville	
		Orillia	
		North Bay	

RENTAL OFFICES

Hull	Laurentian Terrace
	Geraldton

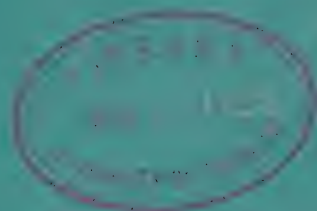
CENTRAL MORTGAGE AND HOUSING CORPORATION

OTTAWA, CANADA



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CENTRAL MORTGAGE AND HOUSING CORPORATION

12th annual report 1957

CENTRAL MORTGAGE AND HOUSING CORPORATION

CENTRAL MORTGAGE AND HOUSING CORPORATION

Incorporated by Act of Parliament in 1945, (R.S.C. 1952, c.46), Central Mortgage and Housing Corporation is a Federal Crown corporation. Under the National Housing Act, 1954, and earlier Housing Acts, the Corporation is empowered to:

Insure mortgage loans on new housing made by private lenders such as banks, life insurance and trust and loan companies, and other approved lenders;

Provide guarantees to banks on loans made for home improvement, and guarantees to life insurance companies and private investors of returns from moderate-rental housing projects built by them;

Make mortgage loans on low and moderate-rental housing projects and to prospective home owners unable to obtain loans from private NHA lenders; and through agents of the Corporation to borrowers for low-cost housing;

Buy or sell insured mortgage loans and make loans to mortgage lenders on the security of mortgages and debentures;

Participate with provincial governments in the development of serviced land for residential purposes and the construction of housing projects and, on behalf of the Federal Government, with municipalities in the acquisition and clearance of areas for urban redevelopment;

Construct, own, and manage housing projects on its own account, and on behalf of Federal Government departments and agencies;

Encourage the development of better housing and sound community planning;

Conduct housing research and research on mortgage financing.

The improvement of housing and living conditions is regarded as the main business of CENTRAL MORTGAGE AND HOUSING CORPORATION and all its organizational effort is directed to this objective.

1957 IN BRIEF OUTLINE

Construction outlays for new housing totalled \$1.42 billion in 1957, or \$150 million less than in 1956. There was, however, continued expansion in the volume of non-residential construction and total construction expenditures were higher than in 1956.

Fewer new homes were started in 1957 than in 1956, but the rate of starts increased during the course of the year. Starts for the year were 122,340 compared with 127,311 in 1956. The number of dwellings completed was 117,283 as against 135,700.

The maximum rate of interest under the National Housing Act was raised to 6% from 5½% in January, 1957. Nevertheless, the persistent demand for investment funds for other purposes continued to press up the interest rates on bonds generally, and on conventional loans. While there was a large decline in National Housing Act lending on the part of life insurance and trust and loan companies, the banks approved a slightly larger volume of loans in 1957 than in 1956.

In August, the Government announced a new programme of Corporation loans to provide funds for lower cost dwellings. This step added substantially to the volume of Corporation lending which had already shown a sharp increase during the year. In all, Central Mortgage and Housing Corporation approved 13,121 loans for lower cost houses in the last four months under the new Government programme.

In December, Parliament amended the National Housing Act. The amendments provided additional funds which enabled the Corporation to continue its lending programmes. The amendments also lowered the down payment requirements.

There was a decline in material prices in the latter months of the year, but this tended to be offset by an increase in labour rates. Building costs were higher than in 1956. The price of land increased.

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Central Mortgage and Housing Corporation

March 11th, 1958

Honourable Howard Green,
Minister of Public Works,
Ottawa, Canada.

Dear Mr. Green:-

I have the honour to submit, on behalf of the Board of Directors, a statement of the accounts and a report of the activities of the Corporation for the fiscal year ended 31st December, 1957.

The members of the Board, in particular, wish to express their appreciation for the co-operation of the staff during the year. Although we had fewer employees than in 1956, the volume of business handled by the Corporation was substantially greater. The speed with which we were able to expand our lending operations is a tribute to the work and efficiency of the staff.

Many of our senior employees attended training courses in 1957 and, while this proved an additional complicating factor so far as our current operations were concerned, the benefits for the future should be appreciable.

Yours very truly,

Stewart Bates

President.



CANADA'S HOUSING IN 1957

1957 was a year of quest and challenge in housing. Canadians showed more awareness of the key role of house building in the economy and, throughout the year, increased consideration was given by the Government to housing matters. These shifts in pace and in purpose manifested themselves in various ways.

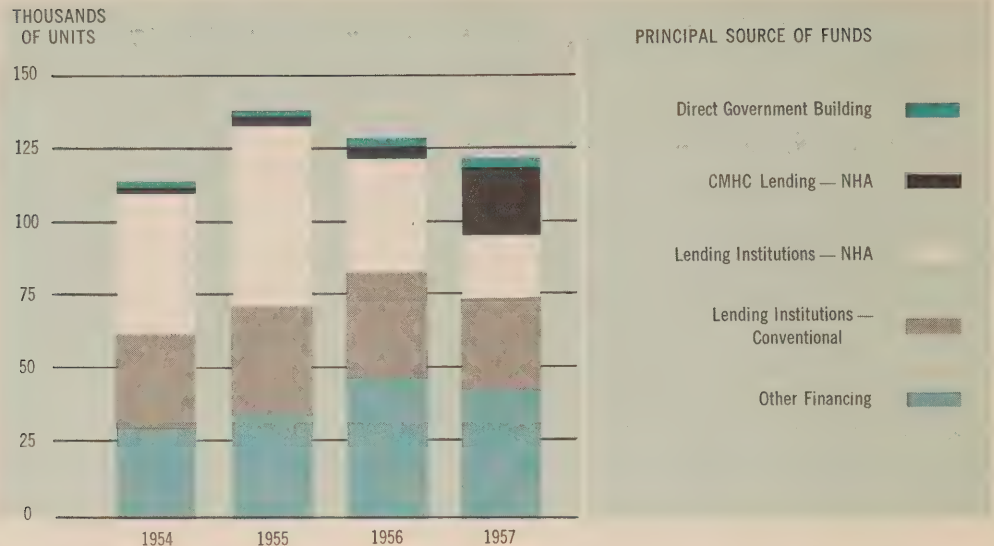
In a very real sense, Canada seemed to be approaching the threshold of a new phase in house building.

All the instruments of the National Housing Act were called on by Government to play new roles in 1957. The maximum rate of interest was raised to the 6% level in January to become competitive in the money market and to maintain the flow of investment funds to housing, and this rate was maintained throughout the year. The direct lending of Central Mortgage and Housing Corporation to home owners in small towns, for low-rental housing in cities, and for low-rental housing for old people, all jumped significantly throughout the year.

The banking system, in March, undertook to put at least \$150 million into housing loans, while other approved lenders also faced the problem of maintaining a balance between the insistent demands for housing loans on the one side, and for commercial and social demands on the other. The Government, in August, directed the Corporation to use the remainder of the statutory vote to extend lending for lower cost houses, in large as well as small towns and, in December, requested Parliament for an increase in the statutory vote to extend this lending further. By the end of the year, under this plan, the Corporation had committed \$158 million and a large proportion of the houses financed had been started before winter.

Across the country interest in the redevelopment of blighted areas continued to grow, as businessmen and private citizens became more conscious of the costs of exposing the fabric of the community to decay. In 1956, the Act had been amended to permit the Government to

NEW HOUSING STARTED 1954-1957



make grants to municipalities wishing to study their housing and redevelopment needs and in many cities this provoked a new interest in the state of the community's housing. Studies were undertaken in four cities and reports published in a further four communities.

Although the measure of the year cannot be taken simply by counting the number of houses started or completed, there was a significant volume of house building during the period. Indeed, 1957 was the third largest year on record. The industry entered the year with 68,579 uncompleted dwellings. An additional 122,340 dwellings were started and 117,283 completed during 1957, so that at the end of the year about 72,573 were in course of construction. Starts were about 3.9% lower than in 1956 and completions about 13.6% lower.

The outstanding feature of 1957 was the continued shortage of mortgage money from institutional lenders. This not only affected the volume of house building but also influenced the character of developments in housing for the year as a whole.

The shortage itself was not new. Mortgage money had been scarce throughout 1956 as a result of competing demands for funds for other uses and, by the end of the year, long-term interest rates had reached their highest post-war level. Largely because of financing problems, the rate of housing starts had been declining since the late autumn of 1955.

There seemed little prospect in January, 1957, that the supply of mortgage funds would improve in the immediate future. The chartered banks had curtailed their mortgage lending in the early summer of 1956 and there was no indication that they would reappear soon as major lenders. There were signs that the demand for funds for other purposes would be heavy. According to the annual survey of investment intentions made by the Department of Trade and Commerce, businessmen planned to make large capital expenditures during the year.

As the first step, the maximum interest rate on National Housing Act loans was raised in January to 6% from 5½% and this had the temporary effect of making lending under the Act more attractive to investors. However, the benefits were short lived. Interest rates on bonds and conventional mortgages moved upwards from March on and the relative attractiveness of the new maximum rate decreased. In consequence, lending under the Act by life insurance companies, trust and loan companies and other similar institutions during most of the year was lower than in 1956.

Secondly, the Corporation, as a residual lender, was obliged to assume a much more active role. Its volume of lending to prospective home owners increased sharply, although Government policy limited its application to areas of less than 55,000 population. It also made more loans for the building of low-rent accommodation. But the increase in Corporation lending was not sufficient to make up for the reduction in the volume of lending by private lenders.

Parliament in passing the National Housing Act in 1954, had never intended that the Corporation should become a major supplier of mortgage money. Although Parliament in framing the Act allowed for such an eventuality, the purpose of the mortgage insurance arrangement was to reduce the house-building industry's dependence on public money by mobilizing private funds more effectively. The Corporation was to be concerned primarily with supplementing the supply of mortgage money in areas where lending facilities were not adequate and to provide special types of loans on terms and conditions which might not prove attractive to private lenders.

The success of the mortgage insurance provisions depended upon the participation of the chartered banks, as well as other approved lenders. From 1954 to 1956 the banks financed more than half the units built under the Act and it was apparent that, unless they continued to play a major role in house building in 1957, starts for the year might prove insufficient to meet requirements. However, in March, following discussions with the Governor of the Bank of Canada, the Canadian Bankers' Association announced that its members expected to finance 15,000 dwellings during the year, or approximately the same number as in 1956. This, in effect, ensured that a substantial number of homes would be financed under the Act in 1957. Moreover, although the number of houses started in the opening months of the year was much lower than in 1956, the rate of starts, after allowing for seasonal influences, increased during the spring and summer months.

It was in these circumstances that the subject of housing commanded wider public attention. Since the end of the war there has been a tendency for the size of the average house to increase and for more built-in fittings to be provided. There has also been a tendency for houses to occupy more land, requiring more extensive streets and utilities. These trends have not been confined to houses built under the National Housing Act, but are part of the general improvement in living standards. They became particularly pronounced in 1956 and 1957.

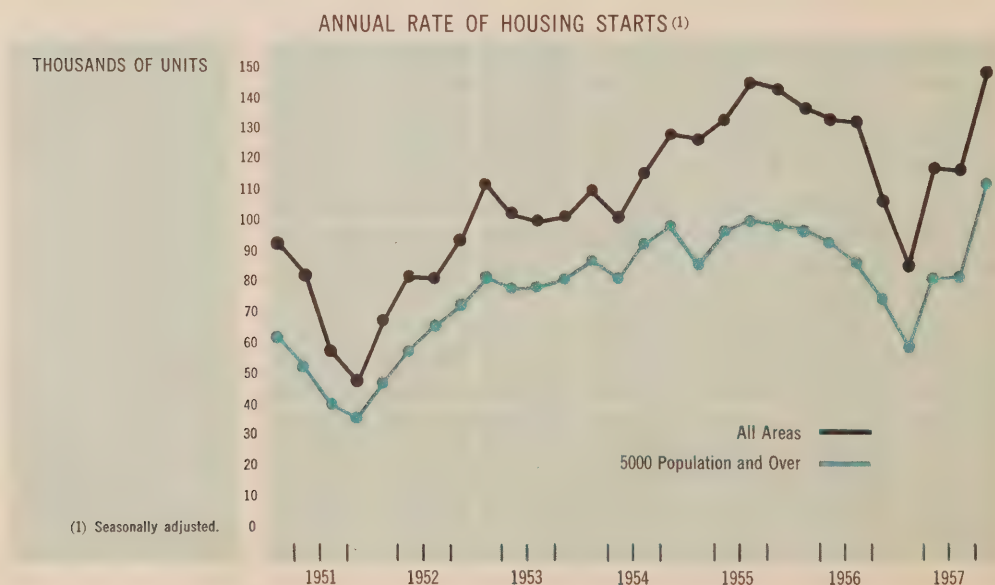
By the middle of 1957, the average floor area of houses financed under the Act was well

over 1,150 square feet. Labour costs and material costs had risen further and there was a significant increase in the cost of land in most communities. As a result, a large proportion of houses financed under the Act was in the \$14,000 — \$18,000 range and the average annual income of borrowers was about \$5,800.

More frequently one heard that the character of the product was making purchase of a home too costly and that the housing needs of families of modest means were being overlooked. It was said there was not enough low-rental property available, most houses coming on the market were not suited to the incomes of these families and that, in all likelihood, they were encountering greater difficulty in getting loans than more well-to-do applicants.

There had been signs, even earlier in the year, that in some areas the more expensive houses were not selling as readily as in the past, and while most builders were still preoccupied with obtaining enough mortgage money to keep building, they were also alert to the new currents of public opinion that were beginning to appear. In the increasingly competitive situation, builders were under continual pressure to offset, by cost reductions, any increase that might result from higher land prices. They did this with some success. Builders' organizations also showed a new interest in the problems of low-cost houses and plans were made for the building of two experimental budget-type houses.

There was a shift in the focus of attention towards other forms of housing, and this was reflected in the increased number of loan applications by limited-dividend companies proposing to build rental housing for old people and for low-income families. There was also more public interest in the clearing and rebuilding of blighted areas and, in a number of cities, the first fruits of the amendments made to the Act in 1956 became apparent. These amendments brought a new dimension to urban redevelopment by providing that a blighted area, when cleared, need



not be used for housing, if it appears the land is more suited to some other use. The first proposal along these lines was made in 1957 in the redevelopment study prepared for the city of Halifax. The Halifax proposal would involve clearing a large blighted area close to the industrial and commercial centre of the city. New housing would be provided elsewhere in the city for families now living in the area. Throughout Canada the amended provisions of the Act have attracted wide attention, and there are signs that businessmen and civic leaders are becoming conscious of the immense potentialities of the National Housing Act in the rebuilding and renewal of cities.

The amount of low-cost housing that could result from these various forms of financial assistance was bound to be small in 1957. Moreover, the private lenders did not have to encourage the building of smaller homes so long as they found an outlet for their money in existing types of houses. The two problems — shortage of funds and the need to emphasize lower cost housing — had been receiving Government attention. At the end of August, the Government instructed the Corporation to extend its direct lending and to make loans for homes of limited floor areas, in large as well as in small centres. The lending institutions were to act as agents of the Corporation in approving the loans.

These arrangements uncovered new areas of strength in the market for new homes and the volume of agency lending expanded rapidly. Private lenders regarded the loans as supplementary to their existing lending programmes and, as a result, the net impact on the volume of house building was appreciable. In the last three months of the year the number of houses started was 42% higher than during the same period in 1956. Since the dwellings for which loans were approved were not all started in 1957, the programme lent advance strength to house building in 1958.

The very success of the programme, however, once again projected the Corporation into the mortgage field as a major lender and, in 1957, it provided 47.2% of the funds under the Act as against 4.8% in 1956 and 2.7% in 1955. In December, the Government sought an additional \$150 million from Parliament for the statutory vote in the National Housing Act. The Act was also amended to provide higher loans for prospective home owners for the purpose of lowering down payments. The lending regulations were changed to ease the income requirements for borrowers.

By the end of 1957 the insured lending arrangements had been in operation for nearly four years and there was a much wider knowledge and acceptance of this type of mortgage document. The Corporation itself had committed a total of \$292 million under the 1954 Housing Act and private lending institutions had invested \$1,623 million in insured mortgages. There was, therefore, a sizeable and growing volume of insured mortgage paper ready for sale in the capital market. At the same time, pension funds and other investors who would not normally originate mortgage loans showed greater interest in acquiring such mortgages from the banks and other private lenders as a permanent investment. There was a considerable increase in such sales in 1957. This activity enlarges the source of funds available for the financing of residential construction.

THE NATIONAL HOUSING ACT

Operations under the National Housing Act in 1957 were affected by amendments to the Act, by changes in the Regulations, and by Government policy.

NHA
Section 4

Maximum interest rates on loans were increased by one-half of one per cent on January 22, 1957. This resulted in rates of 6% for home-owner, home conversion, rental, farm, and home improvement loans, 5¼% for employee rental housing built by primary industry, and 4¼% for limited-dividend rental housing (Order in Council P.C. 1957-90). In October, the interest rates on primary industry and limited-dividend loans were further increased to 5½% and 4½% respectively.

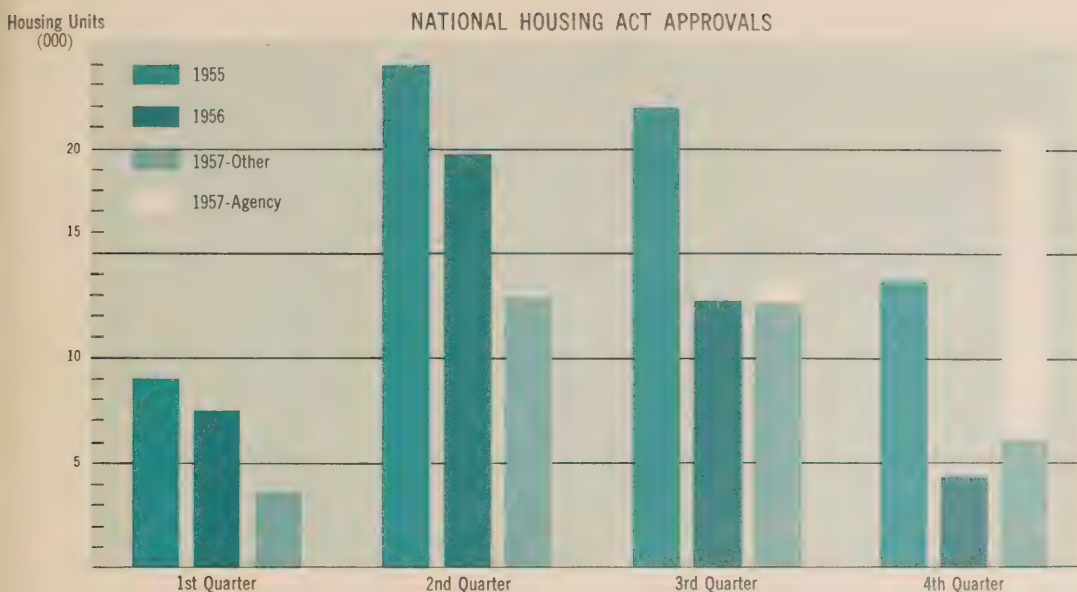
NHA
Section 12

On April 29, the National Housing Loan Regulations were changed to remove the limitations on the amount of loan imposed by the size of the housing unit for home-owner and defence-worker loans (Order in Council P.C. 1957-617).

On the same date the application fees for all types of loans were equalized and new administrative requirements were established for defence-worker loans.

NHA
Section 40

In August, the Government directed the Corporation to extend its own lending under Section 40 to home owners, builders, and rental investors. Approved lenders could enter into agreements to act as agents for the Corporation in making such loans. Maximum floor areas were established for houses financed under these arrangements and, in the case of rental property, basic average rentals were restricted. Prior to this, by policy, Corporation loans were made under this section only to prospective home owners in centres of less than 55,000 population.



To enable the Corporation to continue its direct lending programmes, Parliament amended Section 22 of the Act in December to increase the amount that could be advanced to the Corporation out of the Consolidated Revenue Fund. The amount was raised to \$400 million from \$250 million (1957 S.C. c.18).

Section 7 of the Act was also amended to provide higher loans for home owners and builders building for sale to home purchasers. Under the amendment, loans for single-family houses could be calculated on the basis of 90% of the first \$12,000 (formerly \$8,000) of lending value plus 70% of the balance. Corresponding changes were made in respect of two-family houses. There was no change in the maximum loan of \$12,800 established by regulation.

National Housing Loan Regulations were amended to make borrowers, whose loans had already been approved, eligible for these higher loans, provided the application was made before the interest adjustment date (Order in Council P.C. 1957-1650).

The Regulations were also changed to qualify applicants on income grounds, without special Corporation approval, provided monthly payments of principal, interest, and taxes did not exceed 27% of income. The maximum ratio previously accepted on loans for single-family dwellings without Corporation approval was 23%.

Arrangements were made with the National Research Council by which the Corporation will adopt the building standards issued by the Division of Building Research as the minimum requirements for houses financed under the National Housing Act. The change is to become effective early in 1958.



REPORT OF OPERATIONS

More housing was financed through the National Housing Act in 1957 than in 1956 but the sources of funds changed. The Corporation was a major supplier of funds for house building during the year and the private lenders, although they continued to be the main lenders under the Act, made fewer insured loans than in 1956 (Tables 4 and 5)¹.

The Corporation's lending was directed towards the production of housing for people of modest incomes, for both home ownership and rental purposes. During the year the Corporation was more active in assisting in the improvement of housing, the rebuilding of cities and the provision of public housing.

In all, some 49,336 dwellings were approved under the Act in 1957. These comprised 23,984 homes approved under the insured loan programme, 24,949 financed by Corporation loans under the agency and other programmes, and 403 authorized under the Federal-Provincial provisions of the Act. In 1956 the total number of dwellings approved was 42,616.

INSURED LOANS

In 1957, private lenders approved loans under the National Housing Act for 23,984 new homes, or 14,689 fewer than in 1956. The volume of insured lending was lower in every region (CHS-Table 19)².

The chartered banks approved loans for virtually the same number of units as in the previous year but there was a reduction in the number of homes financed under the Act by life insurance companies and loan and trust companies.

The banks approved loans for 15,091 dwellings or 63% of the insured loans approved during the year. Life insurance companies financed 7,980 dwellings under the Act and trust, loan and other companies 913 dwellings. In 1956, the banks financed 14,765 units and the other private lenders 23,908 units (CHS - Table 18).

As in previous years, most of the insured loans were made to merchant builders who were building for sale. Builders obtained financing for 15,892 dwellings, or 66% of the total volume of insured loans in 1957. Loans for 6,711 houses were made to prospective home owners and the remainder was for rental units (CHS - Table 24).

NHA
Sections 6, 7, 8

¹All references to "Tables" are to tables in this report.

²All references to "CHS" are to Canadian Housing Statistics, 4th quarter, 1957.

Most of the loans made by these lenders were for one-storey, three-bedroom houses and the floor area of single-family houses was, on the average, larger than in previous years — 1,185 square feet in 1957 compared with 1,138 square feet in 1956 (CHS - Tables 23 and 56).

Partly as a result of the increase in size, houses financed with insured loans cost more in 1957 than in 1956. Estimates made by borrowers indicated that, for the year as a whole, the average cost of single-family dwellings financed by private lenders was \$15,076. This was made up of \$12,304 for construction, \$2,291 for land and \$481 for other items. In 1956 the average cost was \$14,177 (CHS - Table 56).

The average loan approved was \$11,309, or 81% of the lending value established by the Corporation, and the monthly payments of principal, interest, and taxes amounted to \$93. Most insured loans were for 25 years.

Although applicants for these loans differed in means, in age, and in the size of their families, the average borrower obtaining an insured mortgage in 1957 committed himself to monthly payments equalling 18.5% of his income. He was a man of about 35 with a wife and two children.

At the end of 1957 the Mortgage Insurance Fund administered by the Corporation totalled \$30.4 million, against mortgage loans outstanding of \$1,425 million. During the year four claims were paid, including the first claim which was received in December, 1956. Of the four properties acquired by the Fund, three were sold by December 31. In addition, there were three claims in process of payment at the end of the year. A further five properties were taken over by lenders without any claim being made against the Fund.

LOANS BY THE CORPORATION

In 1957, the Corporation financed 24,949 new homes, a larger number than in any previous year. Loans for home ownership increased sharply, particularly during the last four months of the year following the introduction of the agency arrangement for the financing of small homes. The Corporation also financed a greater number of low-rental dwellings under the limited-dividend section of the Act (CHS — Table 24).

As a result of these and earlier lending operations, 6,630 loans were outstanding at December 31 in the amount of \$228.5 million. Of these, 37 or .56% were three months or more in arrears. During the year there were no foreclosures.

LOANS THROUGH AGENTS OF THE CORPORATION

In September, the Corporation entered into agreements with the principal approved lenders to act as the Corporation's agents in making loans to supplement private lending under the National Housing Act. By the end of the year the Corporation had approved loans for 16,338 dwellings for \$158 million and applications were on hand for a further \$16.5 million.

Most of the loans were made to builders or home owners for the construction of small houses, but 3,100 rental units were also financed under the programme in 1957 (CHS — Tables 19 and 20).

Mainly as a result of the size limitations placed on the dwellings financed under this arrangement, the average home owner (borrower or purchaser) differed from the home owner under the insured loan provisions.

NHA

Sections 16, 17, 40

NHA

Section 40

	<i>Insured Loan Borrowing</i>	<i>Agency Programme Borrowing</i>
Age.....	35	33
Number of children.....	2	2
Income.....	\$ 5,857	\$ 5,026
Loan.....	\$10,960	\$10,108
Down payment.....	\$ 3,929	\$ 2,461
Cost of dwelling.....	\$14,889	\$12,569

OTHER CORPORATION LOANS TO HOME OWNERS

The Corporation makes loans to prospective individual home owners in centres of less than 55,000 population who have been unable to obtain an insured loan from a private lender.

The reduction in insured lending resulted in a sharp increase in the number of these loans. The Corporation, as a residual lender, approved loans for 2,814 homes in 1957 as against 375 homes in 1956 (CHS — Table 24).

Apart from this, mortgage financing was provided for 16 co-operative groups building 212 units. Almost all of these were in eastern Canada.

Home-owner loans are also available to veterans building under Part II of the Veterans' Land Act. Interim financing is provided by the Director, VLA, and the Corporation makes the loan on completion of the unit. During the year 554 such homes were financed.

A further 490 home-owner units were financed under other Corporation lending programmes.

NHA
Section 40

LOANS TO LIMITED-DIVIDEND COMPANIES

During 1957 there was increased public demand for assistance in building low-rental accommodation and the Corporation approved loans for 4,124 dwellings, or more than double the number financed in 1956. The total value of loans to limited-dividend companies was \$30.7 million (CHS — Table 24).

About 1,170 of the units were designed for old people, the loans being applied for mainly by service clubs, church groups, and charitable and non-profit organizations. Over 530 of these units were located in Saskatchewan. In most provinces additional assistance was obtained from the Provincial government or the local municipality by way of capital grant or tax concession.

A further 22 projects of 2,952 units were undertaken by investors with rents set to provide a dividend of not more than 5% of capital invested.

To preserve the low-rental character of these projects tenants are subject to income qualifications.

During the last 10 years the Corporation has provided long-term loans for the building of 11,951 low-rental dwellings in various parts of the country. Of these, 2,548 units are for old people.

NHA
Section 16

LOANS TO PRIMARY INDUSTRIES

Loans to primary industries were approved in the amount of \$3.7 million for the construction of 416 rental units for employees. In 1956, loans were made for 290 dwelling units in the amount of \$2.5 million (CHS — Table 24).

NHA
Section 17

JOINT LOANS

At the end of 1957 the Corporation's share of joint loans outstanding under the pre-1954 Housing Acts was \$224.7 million on 130,821 loans. Only 135 loans, or .1%, were reported in arrears for three months or more.

During the year action was taken by lenders to realize on the security of seven properties through foreclosure or similar proceedings.

The lenders' share of joint loans at the end of 1957 was \$603.2 million and the contingent liability under the Pool Guarantee Accounts established under previous Housing Acts was \$59.8 million. Loss recoveries and profits, as in 1956, exceeded claims paid during the year, this year by \$6,213.

PURCHASE AND SALE OF NATIONAL HOUSING ACT MORTGAGES

National Housing Act insured mortgages may be bought and sold like other securities, provided they continue to be serviced by an approved lender. Sale of these mortgages affords access to funds that might not otherwise be invested in housing. These transactions have been increasing over the last three years — from \$17.5 million in 1955 to \$49.6 million in 1956 and \$61.2 million in 1957. During this period pension funds, among them the Corporation's pension fund, have been the main purchasers. In 1957, chartered banks continued to be the main sellers and originated over two-thirds of the sales (CHS — Table 27).

The Corporation may buy and sell mortgage loans and may make loans to lenders on the security of such mortgage loans. During 1957, the Corporation sold loans to the value of \$1.1 million. There were no purchases.

HOME IMPROVEMENT LOANS AND RENTAL HOUSING GUARANTEE

Lending by the banks under the Home Improvement Loan provisions of the Act continued at a high level throughout 1957 and the Corporation guaranteed 29,947 loans for a total amount of \$30.6 million as against 30,380 loans for \$29.7 million in 1956 (Table 6).

This programme received considerable attention as a result of the efforts of the Federal Government and the industry to encourage home owners to repair and modernize their homes during the winter months when the volume of construction work is normally at a low ebb.

At the end of 1957 the value of Home Improvement Loans outstanding was \$47.2 million. The maximum amount guaranteed by the Corporation was \$4.3 million and the balance in the Home Improvement Loan Insurance Fund was \$862,917.

Claims paid to lenders during 1957 amounted to \$39,327 and this brought total claims paid to \$50,746. Of this amount, \$1,727 has been recovered from borrowers by the Corporation. There were 1,379 loans reported in arrears for sixty days or more at the end of the year.

Rental guarantee contracts were not made during 1957 but the number of dwellings covered by existing contracts at December 31 was 21,140. Loss claims paid in 1957 totalled \$131,063 compared with \$423,196 in 1956. The balance in the Rental Guarantee Fund at December 31 was \$2 million.

URBAN REDEVELOPMENT, PUBLIC HOUSING AND LAND ASSEMBLY

The number of urban renewal studies under way in 1957 was evidence of the growing public concern with conditions of blight and decay in our cities. During the year studies were completed

NHA
Section 3

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Section 14

in Halifax, Saint John, Winnipeg, and Vancouver and Federal grants were made for studies in Hamilton, Sarnia, Regina, and Trail. There was continued activity in Federal-Provincial public housing projects apart from those associated with redevelopment plans.

URBAN REDEVELOPMENT

Redevelopment proceeded in Montreal and Toronto and detailed recommendations were being studied in Halifax at the close of 1957.

NHA
Section 30

In the Jeanne Mance redevelopment project in Montreal all the land in the 20-acre site was expropriated by the City and contracts awarded for demolition of about one-third of the buildings. Families whose dwellings were to be demolished were offered temporary accommodation elsewhere. A grant of \$2,467,587 towards the cost of acquiring and clearing the land was approved by the Federal Government in 1956. Under Section 23 of the Act the Federal Government contributes half the cost of acquiring and clearing the land, the balance being provided by the municipality. Low-rent housing is to be built under Section 36 for 800 families.

In the Regent Park South redevelopment project in Toronto a further 11 acres of the 26.5-acre site were cleared during 1957, bringing the total cleared so far to 22 acres. Transfer to the Federal-Provincial partnership of some 14 acres was under way at the end of the year. One million dollars out of a total grant of \$1,839,937 had been paid to the city by December 31.

The new housing in this project is being provided under Section 36 of the Act with the Federal Government putting up 75% of the capital invested and sharing in gains or losses to the same extent. The rest of the capital is contributed jointly by the Province and the municipality.

At the end of the year, three of the five 14-storey buildings on the site were virtually complete and the remaining two were about one-third finished. Work on about half the row houses was either completed or well advanced. The scheme will eventually provide 479 apartment units and 255 row housing units.

In 1957, the City of Toronto all but completed development of the 42-acre site in Regent Park North. During the year a further \$141,000 was paid to the city out of the original Federal grant of \$1,362,000.

The Minister of Public Works gave approval in principle to Federal participation in the redevelopment of a blighted area in downtown Halifax. The plan would involve acquiring and clearing 12.8 acres for re-use for commercial purposes. Families displaced would be offered low-rental accommodation in a Federal-Provincial housing project to be built on land now owned by the Corporation.

PUBLIC HOUSING

Apart from the public housing carried out in conjunction with urban redevelopment, the Federal Government agreed during 1957 to proceed with low-rent public housing in 10 communities — Brockville, Hamilton, Stratford, St. Thomas, Prescott, Renfrew, Napanee, Kenora, Weyburn, and Vancouver.

NHA
Section 30

In 1957, 1,242 units were started in Federal-Provincial projects, including those in

redevelopment areas, and 658 units completed. This compares with 1,044 units started and 141 completed in 1956 (Table 7).

Since the introduction of the Federal-Provincial housing provisions in 1949, 3,775 low-rent units have been completed. In 1,983 units rents are set to ensure full recovery of the public investment. In the remaining 1,792 units, the rents are subsidized, the deficit being absorbed by the Federal-Provincial partnership. In both types of projects only tenants within certain income ranges are admitted. In subsidized projects rents vary with incomes and the size of family.

LAND ASSEMBLY

NHA
Section 36

Federal-Provincial agreements were made during the year for seven new land assembly projects under Section 36 of the Act. These agreements cover 1,850 lots. In 1957, 991 lots were serviced and 898 sold.

Work has also been started in a further 14 areas and these will eventually provide an additional 6,476 serviced lots for sale. In five projects, involving 2,320 lots, assembly has been authorized but work has not started.

Since the introduction of this provision in the Act, a total of 6,300 lots has been developed and 5,108 lots sold (Table 7).

HOUSING DESIGN AND COMMUNITY PLANNING

The Corporation seeks to improve housing design in Canada and fosters interest in the orderly development of communities. Its own architectural staff is engaged in the design of housing for other Federal Government departments and agencies. It collaborates in the plans for public housing and reviews housing layouts in major private developments undertaken through the National Housing Act. The Corporation also supports educational work promoting better housing and community design.

Consulting architects were engaged for the layout and housing plans of the Jeanne Mance redevelopment project in Montreal. The design of public housing projects at Halifax, Oromocto (near Camp Gagetown), Hamilton, and Vancouver was undertaken. Work continued on the Regent Park South and Lawrence Heights projects in Toronto. Twelve smaller public housing projects and 14 land assembly developments were planned.

CMHC Act
Section 29

Plans were prepared for additional housing and hotel accommodation for Atomic Energy of Canada Limited at Deep River.

Design and layouts for over 1,000 houses for servicemen's families at Gagetown, Valcartier and Petawawa were prepared for the Department of National Defence.

NHA
Section 37

At Gander, where the Corporation continued to work with the Department of Transport, the town plan was revised. A 10-year works programme was prepared and submitted to the municipality.

CMHC Act
Section 29

Designs were developed for houses and services in northern areas subject to perma-frost conditions. These were for Eskimos at Tuktoyaktuk and for the relocated town of Aklavik.

A plan was prepared for Great Whale River, an Eskimo settlement on the eastern coast of Hudson Bay, and a revised plan drawn up for Fort Smith, administrative centre for the Northwest Territories.

Through review of layout proposals in the larger housing schemes to be financed under the National Housing Act, the Corporation encourages land developers to follow sound planning practices. During 1957 layouts for housing consisting of more than 40,000 residential lots were examined.

The Corporation also reviewed layouts for limited-dividend rental schemes involving 4,000 units.

The Corporation continued to provide the public with working drawings for small houses at low cost. The designs were selected from plans submitted by architects and these were illustrated in a new book entitled "Small House Designs", published in April, 1957. Almost 60,000 copies of the new book were distributed. In 1957, 6,400 sets of plans were sold and during the past four years, 38,912 have been sold.

NHA
Section 32

Support was given to the Canadian Housing Design Council to assist its promotion of improved housing design. The Council, which is made up of architects, builders, and members of the general public, sponsored its second series of national and regional awards for good design. The award-winning designs were widely exhibited.

NHA
Section 32

To further knowledge of community planning, grants were given to four universities offering courses in this field and 15 fellowships were awarded to graduate students. Assistance was also given to the Community Planning Association of Canada, a national organization whose aim is to develop public understanding of planning and urban redevelopment problems.

NHA
Section 33

PROPERTY MANAGEMENT

The Corporation owns a large number of housing units and some commercial and industrial property. Most of this property came into the ownership of the Corporation through the veterans' rental programme. There have been recent additions of housing for other Government departments.

NHA
Section 37

In addition to managing its own real estate the Corporation provides management services for other Government departments.

The number of dwellings owned at the beginning of 1957 was 15,104 and this decreased to 13,690 by December 31. During the year the Corporation sold 1,592 of its houses for a total of \$9.2 million (Table 8).

At the beginning of the year the Corporation had 30,976 mortgage and sale agreement accounts resulting from the sale of houses. At the end of the year the number of accounts had increased to 31,306. Of these, 89 were in arrears for three months or more at December 31. During the year three agreements were cancelled because of default in payment and the houses were resold without loss to the Corporation.

NHA
Section 39

In 1957, rental revenues from the Corporation's dwellings amounted to \$7.7 million. This represented an average rent of about \$534, which is \$26 higher than in 1956. The increase in the average rent is largely due to the fact that the lower-rent housing has been offered for sale.

NHA
Section 37

Operating expenses (exclusive of administration) amounted to \$3 million during the year, approximately \$212 per unit. These expenditures in 1956 averaged approximately \$184 per unit. Payments of \$1.5 million in lieu of taxes on Corporation-owned houses were made to municipalities. During the year agreements were renegotiated with nine municipalities to provide for higher payments. Rental arrears amounted to \$36,045 at the end of the year.

This was .47% of rent receivable. Arrears of one month made up 92% of total arrears.

During the year 1,214 housing units which had become vacant were allocated to qualified applicants. Veterans are given preference in the allocation of these units and they occupied 93% of the dwellings in 1957. In some projects where applications from veterans had declined, the renting of units to non-veterans was authorized.

During the year there were negotiations for the sale of the Corporation's industrial and commercial holdings in Ajax.

At Gander, where the Corporation is collaborating with the Department of Transport, the Corporation owns 282 dwellings of which 56 were built in 1957.

During the year the Corporation assumed ownership of 115 houses at Renfrew and Sorel for which it formerly supplied supervisory services to the Department of Defence Production.

CONSTRUCTION FOR GOVERNMENT DEPARTMENTS AND AGENCIES

The Corporation undertakes construction of housing and related services for other Government departments and agencies.

In 1957, the Corporation awarded contracts for the building of 532 family dwellings and four schools for the Department of National Defence. During the year 1,560 houses and 15 schools were completed under this and earlier programmes, most of them at Camp Gagetown. As agent for the Department the Corporation arranged for construction of 430 rental units for servicemen at St. James, Manitoba. The units are to be owned and operated by a private company but the Department is providing the mortgage financing. At the end of 1957, 74 units had been completed.

Sixty-five houses were completed at Whitehorse and 14 at Kitimat for the Department of Public Works. The houses are for rental to Government employees.

At Deep River, construction contracts were awarded for the construction of 137 houses for Atomic Energy of Canada Limited (Table 10).

HOUSING RESEARCH

The Corporation studies the adequacy of housing accommodation in Canada and for this purpose carries out economic research and arranges for social and technological research.

ECONOMIC RESEARCH

The Corporation's economic research is concerned mainly with the demand for housing, the volume and value of new residential construction, the sources of funds used for new house building and the flow of mortgage money.

The data on investment in new housing which appear in the National Accounts are prepared by the Corporation. In 1957, the data were revised for earlier years mainly to take account of information in the 1956 census.

Since 1948 the Corporation and the Dominion Bureau of Statistics have made joint surveys of current house building. In rural areas and centres of less than 5,000 population the surveys have been on a sample basis. In 1957, a new sample design was prepared in consultation with the Bureau and a pilot survey undertaken.

Surveys of mortgage lending activity, including second mortgages, and of building material prices were continued during the year. Arrangements were also made to continue the survey of the house-building industry initiated in 1955 (Table 9).

BUILDING MATERIALS AND METHODS

For its lending and insurance operations the Corporation reviews the performance of building materials and building methods submitted to it, to determine their suitability for use in houses financed under the Act. During the year 630 of the submissions made to the Corporation were accepted. The National Research Council and other Government departments carry out tests of materials and building systems for the Corporation.

CHMC Act
Section 40

A grant was made to the Ontario Research Foundation for a study of waste disposal techniques which might be more economical than piped sewage collection and more efficient than septic tanks.

The Corporation commenced a survey of systems of construction of single-family dwellings in various countries, and has also been studying, in co-operation with the Division of Building Research of the National Research Council, the most useful applications of recent advances in building techniques.

NHA
Section 32

Construction of three experimental houses commenced during the year. The Corporation and the Division of Building Research worked with the sponsoring organization, the National House Builders' Association, in designing a minimum cost house, and two of these were started in 1957. The third house, also sponsored by the Association, is being built to demonstrate the principles of modular co-ordination with a view to encouraging greater use of standardized components in house building.

ORGANIZATION AND STAFF

In consultation with management services the Corporation reviewed its organization, methods, and procedures.

Seven staff training courses were held during the year. Five were for senior personnel, one was a general course, and one was for appraisers.

At the end of the year the Corporation had a staff of 1,930 compared with 2,243 at the end of 1956. The field organization at the end of the year consisted of five regional offices, fifty-one branch offices, eight loans offices and one rental office.

ACCOUNTS

The Auditors' Report and the financial statements of the Corporation are shown on pages 24 to 35 with comparisons for 1956.

The gross income of the Corporation was \$33,525,300 (\$33,556,900 in 1956). Net income transferred to the Reserve Fund after providing for income tax was \$1,017,500 (\$869,300 in 1956). The amount transferred from the Reserve Fund to the credit of the Receiver General after establishing the proceeds from properties sold was \$5,751,300 (\$5,941,100 in 1956). Assets of the Corporation excluding those of the Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantee Funds increased by \$40,978,800 from \$657,880,100 to \$698,858,900.

CHMC Act
Section 30

AUDITORS' REPORT

AUDITORS' REPORT

To the Minister of Public Works:

We have examined the attached financial statements of Central Mortgage and Housing Corporation for the year ended December 31 1957 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we have considered necessary in the circumstances.

In our opinion, proper books of account have been kept and the financial statements of the Corporation were prepared on a basis consistent with that of the preceding year and are in agreement with the books.

The transactions of the Corporation that have come under our notice have been, in our opinion, within the powers of the Corporation.

In our opinion, the attached financial statements are properly drawn up so as to give a true and fair view of the state of the Corporation's affairs as at December 31 1957 and of the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Corporation.

 C.A.

of the firm
Price Waterhouse & Co.

 C.A.

of the firm
Chartré, Samson, Beauvais,
Bélair & Cie.

Ottawa, February 14 1958.

Balance Sheet	Statement I
Statement of Income and Expenditure	Statement II
Reserve Fund	Statement III
Loans Under the Housing Acts	Statement IV
Agreements for Sale and Mortgages Arising from Sales of Properties	Statement V
Real Estate	Statement VI
Corporation's Share in the Joint Ownership of Real Estate under Federal-Provincial Agreements	Statement VII
Assets of the Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantee Funds Reserves for Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantees	Statement VIII

ASSETS

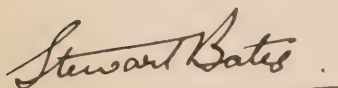
	1957	1956
Cash	\$ 5,368,642	\$ 2,448,234
Government of Canada short term securities, at approximate market value. . . . .	.	7,962,760
Accounts receivable, less allowance of \$27,833 for doubtful accounts.	462,678	379,846
Expenditures recoverable from Provincial Governments under Federal-provincial Agreements	2,067,790	858,306
Due from the Minister of Public Works on current account	348,043	646,192
Due from the Minister of Public Works for losses (net) in respect of loans, guarantees and other commitments under the Housing Acts	60,268	(45,361)
Loans under the Housing Acts, including \$1,243,551 interest accrued or receivable	454,455,572	417,910,886
Agreements for Sale and Mortgages arising from sales of properties, including \$406,563 accrued interest	101,848,267	99,411,318
Advances to Municipalities and others on deferred repayment terms, including \$24,499 accrued interest.	3,693,915	3,234,982
Real Estate, including business premises — at cost or at values placed by the Board of Directors on properties acquired from the Government of Canada less \$17,480,942 accumulated depreciation	85,228,716	92,156,745
Corporation's share in the joint ownership of Real Estate under Federal-provincial Agreements	43,862,674	31,422,722
Office furniture and sundry equipment, less \$1,051,568 accumulated depreciation	519,084	577,335
Government bonds received as security deposits from contractors and others	800,700	622,250
Other assets	142,628	293,947
	<hr/>	<hr/>
Assets of the Mortgage Insurance, Home Improvement Loan and Rental Guarantee Funds.	\$698,858,977	\$657,880,162
	33,229,877	24,425,511
	<hr/>	<hr/>
	\$732,088,854	\$682,305,673

Balance Sheet — December 31 1957

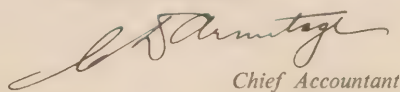
(with comparative figures for 1956)

LIABILITIES

	1957	1956
Accounts payable and accrued charges.	\$ 2,987,290	\$ 1,567,898
Contractors' holdbacks, and deposits from contractors and others	8,915,617	7,503,897
Unearned fees, rentals, and payments received on sales of Real Estate in process of execution	983,752	735,725
Employees' Retirement Fund.	79,669	77,122
Reserve for Purchase Guarantees	58,123	58,123
Due to the Receiver General in respect of the excess in Reserve Fund over statutory limitation	5,751,277	5,941,099
Estimated income tax less instalments paid.	669,337	235,616
Borrowings from the Government of Canada, evidenced by debentures of the Corporation:		
For lending under the Housing Acts, including \$5,136,702 accrued interest.	435,636,702	405,549,267
For acquisition and construction of Real Estate under Federal-provincial Agreements, including \$845,392 accrued interest.	44,616,693	32,138,483
For acquisition and construction of Real Estate, including \$1,550,370 accrued interest.	102,373,551	105,227,014
Surplus arising from valuation of properties acquired from the Government of Canada	5,604,908	5,428,528
Unrealized profits on Real Estate sold on deferred payment terms	61,182,058	63,417,390
Capital, authorized and fully paid by the Government of Canada	25,000,000	25,000,000
Reserve Fund	5,000,000	5,000,000
	<u>\$698,858,977</u>	<u>\$657,880,162</u>
Reserves for Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantees	33,229,877	24,425,511
	<u>\$732,088,854</u>	<u>\$682,305,673</u>



President



Chief Accountant

Statement of Income and Expenditure

INCOME

Interest earned on loans under the Housing Acts	
Less: Interest on borrowings	
Property Rentals	
Less: Property Expenses —	
Interest on borrowings	
Repairs, maintenance and other expenses	
Payments to municipalities in lieu of taxes and for services . .	
Depreciation on real estate and sundry equipment	
Interest earned on Corporation's share in projects under Federal-provincial agreements	
Less: Interest on borrowings	
Interest earned on agreements for sale and mortgages	
Less: Interest on borrowings	
Application fees earned on insured mortgage loans	
Fees earned for services rendered to Government agencies	
Net profits realized on dispositions of real estate acquired by capital expenditure	
Miscellaneous	

ADMINISTRATIVE EXPENDITURE

Salaries	
Pension Fund, group and unemployment insurance and medical examinations	
Directors' fees and expenses	
Auditors' fees and expenses	
Legal fees and expenses	
Examination fees paid to Approved Lenders	
Information services	
Office supplies and expenses	
Rental and expenses of administrative premises	
Telephone, telegraph and teletype	
Travel, moving expenses and use of employee-owned automobiles	
Interest allowed on sundry deposits	
Depreciation on business premises	
Depreciation on office furniture and sundry equipment	
Miscellaneous	
INCOME LESS EXPENDITURE FOR THE YEAR	
BEFORE INCOME TAX	
Deduct: Estimated Income Tax	
NET INCOME — TRANSFERRED TO RESERVE FUND	

for the year ended December 31 1957

(with comparative figures for 1956)

	1957		1956	
	\$16,674,426		\$16,340,368	
	<u>12,884,288</u>	\$ 3,790,138	<u>12,840,648</u>	\$ 3,499,720
	8,414,982		8,843,479	
\$1,772,703			\$1,896,746	
2,087,720			1,931,142	
1,599,268			1,606,588	
<u>2,267,995</u>	<u>7,727,686</u>	687,296	<u>2,426,481</u>	<u>7,860,957</u>
				982,522
	1,407,906		1,140,837	
	<u>1,316,874</u>	91,032	<u>1,064,780</u>	76,057
	4,898,662		4,765,486	
	<u>811,506</u>	4,087,156	<u>769,288</u>	3,996,198
		1,369,323		1,844,188
		415,720		369,725
		177,648		72,628
		<u>166,675</u>		<u>180,155</u>
		\$10,784,988		\$11,021,193
<hr/>				
	5,538,010		5,918,603	
	852,529		821,114	
	4,709		6,767	
	32,423		27,410	
	13,068		11,631	
	93,006		176,436	
	14,100		36,069	
	358,600		430,407	
	476,679		493,078	
	132,015		131,221	
	589,508		658,362	
	151,044		142,044	
	135,107		132,630	
	125,545		136,436	
	<u>281,133</u>	<u>8,797,476</u>	<u>198,681</u>	<u>9,320,889</u>
		1,987,512		1,700,304
		970,000		831,000
		<u>\$ 1,017,512</u>		<u>\$ 869,304</u>

Balance, January 1	
Add:	
Net Income for the year	
Profits realized on sales of properties acquired from the Government of Canada . .	
Deduct:	
Excess over statutory limitation — transferred to the credit of the Receiver General .	
Balance, December 31.	

Loans under the Housing Acts for

	<i>Balances December 31 1956</i>	
	<i>Number of Loans Outstanding</i>	<i>Value</i>
<i>Joint Loans (Corporation's Share)</i>	<u>134,684</u>	<u>\$240,568,134</u>
<i>Uninsured Loans</i>		
Limited-dividend Housing Companies	87	44,534,442
Mining, Lumbering, Logging and Fishing Industries. . . .	9	1,092,905
Home Owners	5,678	38,743,458
Builders and Others, under Rental Guarantee Contracts . .	583	83,535,675
	<u>6,357</u>	<u>167,906,480</u>
<i>Insured Loans to Builders and Home Owners</i>		
By the Corporation	816	7,615,498
By Agents of the Corporation		
	<u>816</u>	<u>7,615,498</u>
	<u>141,857</u>	<u>\$416,090,112</u>

Agreements for Sale and Mortgages arising from Sale

	<i>Balances December 31 1956</i>	
	<i>Number of Accounts Outstanding</i>	<i>Value</i>
<i>Agreements for Sale</i>	<u>24,221</u>	<u>\$ 70,599,557</u>
(Converted to Mortgages during the year)		
<i>Mortgages</i>	<u>6,755</u>	<u>28,421,245</u>
(Converted from Agreements for Sale during the year)		
	<u>30,976</u>	<u>\$ 99,020,802</u>

ended December 31 1957

(with comparative figures for 1956)

1957		1956	
\$ 5,000,000		\$ 5,000,000	
\$1,017,512		\$ 869,304	
<u>4,733,765</u>	<u>5,751,277</u>	<u>5,071,795</u>	<u>5,941,099</u>
	10,751,277		10,941,099
	<u>5,751,277</u>		<u>5,941,099</u>
	<u>\$ 5,000,000</u>		<u>\$ 5,000,000</u>

for the year ended December 31 1957

Statement IV

Balances December 31 1957					
<u>Number of New Loans</u>	<u>Advances and Other Charges during 1957</u>	<u>Number of Loans Paid in Full</u>	<u>Repayments during 1957</u>	<u>Number of Loans Outstanding</u>	<u>Value</u>
	\$ 10,297	3,863	\$15,899,431	130,821	\$224,679,000
48	18,059,956		3,627,457	135	58,966,941
5	2,264,975		141,765	14	3,216,115
130	3,829,919	74	5,074,277	5,734	37,499,100
	6,506,599		8,973,775	583	81,068,499
<u>183</u>	<u>30,661,449</u>	<u>74</u>	<u>17,817,274</u>	<u>6,466</u>	<u>180,750,655</u>
3,295	29,078,165	88	2,369,928	4,023	34,323,735
2,607	13,458,641		10	2,607	13,458,631
5,902	42,536,806	88	2,369,938	6,630	47,782,366
<u>6,085</u>	<u>\$73,208,552</u>	<u>4,025</u>	<u>\$36,086,643</u>	<u>143,917</u>	<u>\$453,212,021</u>
			Interest Accrued or Receivable		1,243,551
					<u>\$454,455,572</u>

Properties for the year ended December 31 1957

Statement V

Balances December 31 1957					
<u>Number of New Accounts</u>	<u>Sales, Transfers and Other Charges during 1957</u>	<u>Number of Accounts Paid in Full</u>	<u>Payments during 1957</u>	<u>Number of Accounts Outstanding</u>	<u>Value</u>
2	\$ 6,724,986	698	\$11,520,738	23,044	\$ 64,180,488
(481)	(1,623,317)				
1,488	12,846,897	165	5,630,243	8,559	37,261,216
481	1,623,317				
<u>1,490</u>	<u>\$19,571,883</u>	<u>863</u>	<u>\$17,150,981</u>	<u>31,603</u>	<u>\$101,441,704</u>
			Accrued Interest		406,563
					<u>\$101,848,267</u>

Real Estate for the year

	<u>Balances</u> <u>December 31 1956</u>		<u>Additions and Transfers</u> <u>during 1957</u>	
	<u>Units</u>	<u>Amount</u>	<u>Units</u>	<u>Amount</u>
<i>Business Premises for Corporation Use . . .</i>	<u>32</u>	<u>\$ 3,255,352</u>	<u>(1)</u>	<u>\$ 275,297</u>
<i>Rental Housing</i>				
Warworkers' Houses	797	568,691		
Servicemen's Housing				
1947 and prior Programmes . . .	1,049	3,147,000		
1948 and 1949 Programmes				
Single Houses	11,165	78,935,275		153,758
Multiple Dwellings	623	5,364,918		4,090
Housing acquired from Limited-dividend Housing Companies				
Single Houses	242	1,881,645		
Multiple Dwellings	1,101	8,491,314		(1,282)
Garages	232			
Housing at Pembroke, Gander, Renfrew and Sorel	276	3,610,561	167	2,432,110
	<u>15,485</u>	<u>101,999,404</u>	<u>167</u>	<u>2,588,676</u>
<i>Housing Acquired Under Guarantee Agreements</i>	<u>13</u>	<u>122,416</u>		
<i>Ajax Industrial Townsite</i>				
Rental Housing	195	1,046,006		
Other Properties	71	1,820,285		53,959
	<u>266</u>	<u>2,866,291</u>		<u>53,959</u>
<i>Other Real Estate</i>				
Vacant Land		386,806		164,224
Miscellaneous	29	110,997	4	13,143
	<u>29</u>	<u>497,803</u>	<u>4</u>	<u>177,367</u>
	<u>15,825</u>	<u>\$108,741,266</u>	<u>170</u>	<u>\$3,095,299</u>

Corporation's Share in the Joint Ownership of Real Estate under

	<u>Balances</u> <u>December 31 1956</u>	<u>Additions and Transfers</u> <u>during 1957</u>
Rental Housing Projects	\$24,975,086	\$12,161,276
Land Assembly Projects	6,678,546	828,238
Expenditures under Preliminary Agreements		60,001
	<u>\$31,653,632</u>	<u>\$13,049,515</u>

ended December 31 1957

Dispositions during 1957

<u>Units</u>	<u>Amount</u>
3	\$ 2,472

240	27,159
-----	--------

279	837,000
-----	---------

1,150	7,698,541
-------	-----------

1	7,930
---	-------

2	18,478
1,672	8,589,108

(1)	(9,656)
-----	---------

34	322,226
----	---------

4	116,272
---	---------

38	438,498
----	---------

101,594

1	4,891
---	-------

1	106,485
---	---------

1,713	\$9,126,907
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Balances December 31 1957

<u>Units</u>	<u>Amount</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
28	\$ 3,528,177	\$ 458,397	\$ 3,069,780

557	541,532		541,532
-----	---------	--	---------

770	2,310,000	749,092	1,560,908
-----	-----------	---------	-----------

10,015	71,390,492	11,698,569	59,691,923
--------	------------	------------	------------

623	5,369,008	1,211,551	4,157,457
-----	-----------	-----------	-----------

241	1,873,715	455,575	1,418,140
-----	-----------	---------	-----------

1,101 } 232 }	8,490,032	2,068,072	6,421,960
------------------	-----------	-----------	-----------

441	6,024,193	217,861	5,806,332
-----	-----------	---------	-----------

13,980	95,998,972	16,400,720	79,598,252
--------	------------	------------	------------

14	132,072	8,211	123,861
----	---------	-------	---------

161	723,780	239,740	484,040
-----	---------	---------	---------

67	1,757,972	348,280	1,409,692
----	-----------	---------	-----------

228	2,481,752	588,020	1,893,732
-----	-----------	---------	-----------

	449,436		449,436
--	---------	--	---------

32	119,249	25,594	93,655
----	---------	--------	--------

32	568,685	25,594	543,091
----	---------	--------	---------

14,282	\$102,709,658	\$17,480,942	\$85,228,716
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Federal-Provincial Agreements for year the ended December 31 1957

Statement VII

Dispositions during 1957Balances December 31 1957

<u>Amount</u>	<u>Accumulated Recovery of Investments</u>	<u>Net Book Value</u>
\$37,136,362	\$413,983	\$36,722,379

\$426,490	7,080,294	7,080,294
-----------	-----------	-----------

60,001		60,001
--------	--	--------

\$426,490	\$44,276,657	\$413,983	\$43,862,674
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Assets of the Mortgage Insurance, Home Improvement Loan

	<i>Mortgage Insurance Fund</i>	
	<i>1956</i>	<i>1957</i>
Cash	\$ 340,730	\$ 375,722
Securities issued or guaranteed by the Government of Canada, at amortized cost.	21,519,684	29,561,620
Approximate market values —		
Mortgage Insurance Fund	\$29,035,000	
Home Improvement Loan Insurance Fund	840,500	
Rental Guarantee Fund	1,898,500	
	<u>\$31,774,000</u>	
Accrued interest on securities	285,414	387,574
Mortgages		29,860
Accrued interest on Mortgages		495
Real Estate		9,612
	<u>\$22,145,828</u>	<u>\$30,364,883</u>

Reserves for Mortgage Insurance, Home Improvement Loan Insurance

	<i>Reserve for Mortgage Insurance</i>		
	<i>Total to December 31 1956</i>	<i>Year 1957</i>	<i>Total to December 31 1957</i>
Fees and premiums received	\$21,466,846	\$7,278,911	\$28,745,757
Net income from securities	678,982	935,303	1,614,285
Interest earned on mortgages		1,049	1,049
Recoveries on claims paid			
Real Estate acquired on claims paid.		38,185	38,185
Profit on sales of real estate		3,792	3,792
	<u>22,145,828</u>	<u>8,257,240</u>	<u>30,403,068</u>
Deduct:			
Claims paid and legal expenses		38,185	38,185
Loss on sale of securities.			
		<u>38,185</u>	<u>38,185</u>
	<u>\$22,145,828</u>	<u>\$8,219,055</u>	<u>\$30,364,883</u>
 <i>Mortgage insurance in force.</i>		\$1,425,000,000	
<i>Amount insured in respect of Home Improvement loans</i>		\$ 4,306,000	
<i>Current year's rentals covered by Rental Guarantee contracts</i>		\$ 15,250,000	

Insurance and Rental Guarantee Funds, December 31 1957

(with comparative figures for 1956)

<i>Home Improvement Loan Insurance Fund</i>		<i>Rental Guarantee Fund</i>		<i>Totals</i>	
<i>1956</i>	<i>1957</i>	<i>1956</i>	<i>1957</i>	<i>1956</i>	<i>1957</i>
\$ 17,231	\$ 6,514	\$ 64,859	\$ 48,235	\$ 422,820	\$ 430,471
545,307	845,219	1,632,608	1,936,488	23,697,599	32,343,327
7,259	11,184	12,419	17,354	305,092	416,112
					29,860
					495
					9,612
<u>\$569,797</u>	<u>\$862,917</u>	<u>\$1,709,886</u>	<u>\$2,002,077</u>	<u>\$24,425,511</u>	<u>\$33,229,877</u>

Insurance and Rental Guarantees for the year ended December 31 1957

<i>Reserve for Home Improvement Loan Insurance</i>			<i>Reserve for Rental Guarantees</i>			<i>Totals</i>
<i>Total to December 31 1956</i>	<i>Year 1957</i>	<i>Total to December 31 1957</i>	<i>Total to December 31 1956</i>	<i>Year 1957</i>	<i>Total to December 31 1957</i>	<i>December 31 1957</i>
\$565,219	\$306,032	\$871,251	\$2,041,026	\$370,368	\$2,411,394	\$32,028,402
15,829	26,432	42,261	152,023	52,886	204,909	1,861,455
						1,049
285	1,443	1,728				1,728
						38,185
						3,792
<u>581,333</u>	<u>333,907</u>	<u>915,240</u>	<u>2,193,049</u>	<u>423,254</u>	<u>2,616,303</u>	<u>33,934,611</u>
11,536	40,787	52,323	481,263	131,063	612,326	702,834
			1,900		1,900	1,900
<u>11,536</u>	<u>40,787</u>	<u>52,323</u>	<u>483,163</u>	<u>131,063</u>	<u>614,226</u>	<u>704,734</u>
<u>\$569,797</u>	<u>\$293,120</u>	<u>\$862,917</u>	<u>\$1,709,886</u>	<u>\$292,191</u>	<u>\$2,002,077</u>	<u>\$33,229,877</u>

Explanatory Notes to Financial Statements

ASSETS

Accounts Receivable

Balances due from local housing authorities in respect of annual instalments on Corporation's share of investment in Federal-Provincial housing projects, rentals due from housing tenants and sundry accounts receivable from Government and Municipal agencies and others.

Expenditures Recoverable from Provincial Governments under Federal-Provincial Agreements

Expenditures representing provincial share of the cost of land assembly and rental housing projects currently recoverable from Provincial Governments.

Due from the Minister of Public Works on Current Account

Residue for (a) research, investigations, planning and information services, recoverable from the Minister; (b) fees and expenses for supervision of construction of married quarters and schools for the account of the Department of National Defence; (c) other sundry items.

Due from the Minister of Public Works for Losses (net) in Respect of Loans, Guarantees and Other Commitments under the Housing Acts

(a) Operating losses less profits on Corporation's share in Federal-Provincial housing projects; (b) profits less losses on disposal of properties acquired by foreclosure of joint loans and Corporation uninsured loans, and of properties acquired under guarantee to builders.

Advances to Municipalities and Others on Deferred Repayment Terms

Balances recoverable in respect of financing of ground services under arrangements made with municipalities by the Corporation alone or in partnership with Provincial Governments.

Corporation's Share in the Joint Ownership of Real Estate under Federal-Provincial Agreements

Comprises 75% of the unrecovered cost of rental housing projects and unsold lots in land assembly projects. Investment in rental housing projects is recoverable by annual instalments from local housing authorities, and cost of land assembly projects is recoverable from proceeds of lot sales.

Other Assets

Accountable advances to employees, inventories of maintenance materials at rental housing projects, fuel and cafeteria foodstuffs at major offices and special projects, prepaid portion of grants to municipalities in lieu of taxes on real estate and prepaid insurance premiums.

LIABILITIES

Accounts Payable and Accrued Charges

Unpaid progress estimates owing to contractors, amounts for operating purposes owing or accrued, interest accrued on security deposits received from contractors, balances owing to municipalities in respect to house sales and to Provincial Governments under Federal-Provincial Agreements.

Contractors' Holdbacks and Deposits from Contractors and Others

Deposits from borrowers to cover cost of replacements and repairs as provided for in rental guarantee contracts, deposits of cash and bonds received from contractors to guarantee satisfactory completion of contracts and payments withheld in respect of work performed, security deposits from tenants, and deposits relative to rental guarantee premiums not yet due.

Unearned Fees, Rentals and Payments Received on Sales of Real Estate in Process of Execution

Portion of application fees received for processing insured mortgage loans, not yet considered earned, rentals paid in advance by tenants, payments received on account of sales of real estate not fully processed.

Employees' Retirement Fund

Amounts deposited by employees not eligible for admission to Pension Fund, and interest accrued thereon, held pending retirement or separation. A Pension Fund, established under authority of the C.M.H.C. Act, is not included in these statements, being vested in trustees.

Reserve for Purchase Guarantees

Premiums collected from builders of Defence Workers' housing projects for guarantees to purchase houses unsold by them, held as a contingency reserve. There were 26 houses acquired, of which 12 have been sold without loss; of the remaining 14 units, 7 are sales in process of documentation and 7 are being rented.

Borrowings from the Government of Canada

	Amount Borrowed in 1957	Amount Repaid in 1957
Borrowings for lending under the Housing Acts (\$ million).....	30.0	—
Borrowings for acquisition and construction of real estate under Federal-Provincial Agreements (\$ million).....	13.5	1.1
Borrowings for acquisition and construction of real estate (\$ million).....	—	2.8

Surplus Arising from Valuation of Properties Acquired from the Government of Canada

Capitalized value of remaining real estate acquired without cost from Wartime Housing Limited, of remaining property at Ajax industrial townsite acquired from War Assets Corporation, and of housing projects at Renfrew and Sorel transferred from the Department of Defence Production in the latter part of the current year.

Unrealized Profits on Real Estate Sold on Deferred Payment Terms

Each year a proportionate amount of these unrealized profits, based on the recoveries of principal to the sale price of real estate, is treated as earned or realized. Such realizations are credited to Reserve Fund when arising from sales of real estate acquired by the Corporation without cost, and to the income account when arising from sales of real estate acquired by capital expenditure.

INCOME

In 1957, advances on loans under the Housing Acts exceeded repayments by \$37,000,000 of which \$30,000,000 is attributable to greater lending activity in the last quarter of the year. This, together with higher interest rates on new loans, resulted in an increase of \$334,000 in gross interest earned over 1956.

During 1957, 1,705 rental houses were sold and 167 added to the housing inventory, a net decrease of 9% in the number of units under administration, resulting in a decline in gross rental revenues from the previous year of \$428,000 (4.9%).

Operating expenses declined by \$133,000 (1.7%), this smaller percentage reduction being mainly attributable to higher costs of exterior painting, which is done on a cyclical basis, and increased payments in lieu of taxes. Other factors affecting net rental income are the dates of sales, types of houses sold and variations in rental rates.

Additions to Agreements for Sale and Mortgages in 1957 exceeded payments thereon by \$2,400,000. This, together with higher interest rates on mortgages arising from the more recent house sales, has resulted in an increase in gross earnings of \$133,000.

Application fees earned on insured mortgage loans declined by \$475,000 from the previous year due to the sharp reduction in lending activities in the latter part of 1956 and the first nine months of 1957. The greater portion of fees received in the last quarter of 1957, as a result of increased lending activities, will be treated as earned in the early part of 1958.

Profits realized on dispositions of real estate acquired by capital expenditure are \$105,000 higher than in the previous year, resulting mainly from increased sales in 1957, of which \$58,500 represent sales of land at Gander recorded during the year, and from increased realizations on prior years' sales made on a deferred-payment basis.

Miscellaneous income includes discount earned on Treasury Bills, \$84,000, interest earned on advances to municipalities and others, \$28,000, overhead capitalized into the cost of building projects, \$24,000, premiums received on sales of insured mortgage loans, \$12,000.

ADMINISTRATIVE EXPENDITURE

Administrative expenditures were \$524,000 less than in the preceding year, as compared with a reduction of \$236,000 in income. Major expense reductions occurred in salaries, examination fees, office supplies, and travel expenses, partly offset by increases in contributions to the Pension Fund and miscellaneous expense.

During the year there was a general increase in wage levels but a reduction in the number of employees resulted in a decrease in salary expense of \$381,000.

The reduction of examination fees by \$83,000 reflects diminished lending activity.

A more extensive use of the Corporation's printing facilities has contributed substantially to the reduction of \$72,000 in office supplies.

The Corporation conducted staff training courses for senior personnel resulting in travel expense of \$66,000; however, overall travel expenses were reduced by \$69,000.

Although an increase in the Corporation's rate of contribution to the Pension Fund has resulted in an additional expense of \$66,000, reduction in other items resulted in a net increase of only \$31,000 in the cost of employee benefits.

The net increase in miscellaneous expense is attributable to the fees, of management advisors for reviewing the Corporation's methods and procedures.



STATISTICS

Tables

- I Housing Units Started and Completed, 1935-1957.
- II Housing Units Started and Completed, by Province, 1957.
- III Housing Units Started, by Locality, 1957.
- IV Mortgage Loans Approved Under the Housing Acts, 1935-1957.
- V Mortgage Loans Approved Under the Housing Acts, by Province, 1957.
- VI Home Improvement Loans Approved, by Province, 1957.
- VII Federal-Provincial Projects Under the Housing Acts, 1950-1957.
- VIII Housing Units Under Rental and Sold, 1947-1957.
- IX Expenditures on Housing Research and Community Planning, 1946-1957.
- X Summary of Construction Activities of Central Mortgage and Housing Corporation, by Programme, 1957.

Housing units started and completed (1), 1935-1957

Year	Housing Units Started			Housing Units Completed		
	Total	Under the Housing Acts	Other	Total	Under the Housing Acts	Other
1935	33,900	72	33,828	31,800	—	31,800
1936	41,000	729	40,271	38,000	570	37,430
1937	45,100	1,797	43,303	46,900	2,118	44,782
1938	43,900	3,643	40,257	41,400	2,313	39,087
1939	48,900	5,947	42,953	48,800	4,669	44,131
1940	52,600	5,738	46,862	49,000	6,816	42,184
1941	51,200	4,466	46,734	53,200	4,573	48,627
1942	40,000	1,120	38,880	42,800	3,195	39,605
1943	36,100	1,731	34,369	32,700	1,064	31,636
1944	41,500	1,466	40,034	36,500	1,637	34,863
1945	55,181	4,737	50,444	42,488	5,094	37,394
1946	64,355	11,520	52,835	60,454	4,817	55,637
1947	74,263	10,190	64,073	72,218	10,970	61,248
1948	90,194	26,233	63,961	76,097	20,768	55,329
1949	90,509	29,250	61,259	88,233	29,176	59,057
1950	92,531	43,521	49,010	89,015	36,397	52,618
1951	68,579	21,439	47,140	81,310	38,781	42,529
1952	83,246	34,400	48,846	73,087	20,633	52,454
1953	102,409	39,989	62,420	96,839	35,506	61,333
1954	113,527	50,373	63,154	101,965	39,137	62,828
1955	138,276	65,377	72,899	127,929	58,852	69,077
1956	127,311	43,395	83,916	135,700	61,957	73,743
1957	122,340	47,468	74,872	117,283	33,301	83,982
TOTAL	1,656,921	454,601	1,202,320	1,583,718	422,344	1,161,374

TABLE 1
Housing units started and completed (1), by province, 1957

Province	Housing Units Started			Housing Units Completed		
	Total	Under the Housing Act	Other	Total	Under the Housing Act	Other
Newfoundland	1,145	239	906	1,183	200	983
Prince Edward Island . .	126	12	114	149	16	133
Nova Scotia	2,685	509	2,176	2,438	451	1,987
New Brunswick	2,515	518	1,997	2,550	481	2,069
Quebec	34,533	8,463	26,070	33,188	5,473	27,715
Ontario	47,739	25,450	22,289	45,087	16,239	28,848
Manitoba	3,818	1,471	2,347	4,312	1,547	2,765
Saskatchewan	4,477	2,159	2,318	4,310	1,581	2,729
Alberta	11,182	5,075	6,107	9,948	4,046	5,902
British Columbia	14,120	3,572	10,548	14,118	3,267	10,851
CANADA	122,340	47,468	74,872	117,283	33,301	83,982

TABLE 2

(1) Excluding the Northwest and Yukon Territories.

Housing units started (1), by locality, 1957

TABLE 3

Locality	Population (000)	Total		Under the Housing Act		Other	
		Number	Per 1,000 Population	Number	Per 1,000 Population	Number	Per 1,000 Population
<i>Metropolitan Area</i>							
Calgary	215	3,425	16	1,729	8	1,696	8
Edmonton	292	3,320	11	2,597	9	723	2
Halifax	164	842	5	290	2	552	3
Hamilton	350	3,264	9	2,041	6	1,223	3
London	157	1,269	8	767	5	502	3
Montreal	1,963	19,122	10	4,581	2	14,541	8
Ottawa-Hull	358	3,824	11	2,355	7	1,469	4
Quebec	327	1,287	4	488	1	799	3
Saint John	86	255	3	115	1	140	2
St. John's	78	206	3	62	1	144	2
Toronto	1,359	17,113	13	9,008	7	8,105	6
Vancouver	688	7,539	11	2,462	4	5,077	7
Victoria	130	1,053	8	235	2	818	6
Windsor	192	1,037	5	740	3	297	2
Winnipeg	419	2,092	5	1,169	3	923	2
Sub-Total	6,778	65,648	10	28,639	4	37,009	6
<i>Major Urban Area</i>							
Brantford	59	213	4	98	2	115	2
Chicoutimi-Jonquière	100	506	5	268	3	238	2
Ft. William-Pt. Arthur	87	694	8	318	4	376	4
Guelph	39	268	7	184	5	84	2
Kingston	60	372	6	202	3	170	3
Kitchener	87	786	9	466	5	320	4
Moncton	56	248	4	183	3	65	1
Niagara Falls	53	322	6	203	4	119	2
Oshawa	74	1,084	15	881	12	203	3
Peterborough	55	474	9	351	7	123	2
Regina	96	1,035	11	584	6	451	5
St. Catharines	98	766	8	421	4	345	4
Sarnia	60	516	9	275	5	241	4
Saskatoon	79	1,080	14	600	8	480	6
Sault Ste. Marie	54	550	10	189	4	361	6
Shawinigan Falls	62	236	4	50	1	186	3
Sherbrooke	71	210	3	56	1	154	2
Sudbury	99	543	6	195	2	348	4
Sydney	108	257	2	38	—	219	2
Timmins	39	37	1	11	—	26	1
Trois-Rivières	93	442	5	54	1	388	4
Sub-Total	1,529	10,639	7	5,627	4	5,012	3
<i>Other Localities</i>	8,251	46,053	6	13,202	2	32,851	4
CANADA	16,558	122,340	8	47,468	3	74,872	5

(1) Excluding the Northwest and Yukon Territories.

Mortgage loans approved under the Housing Acts, 1935-1957

TABLE 4

<i>Housing Act and Period</i>	<i>Number of Loans</i>	<i>Number of Housing Units</i>	<i>Amount (\$000)</i>
Dominion Housing Act, 1935:			
1935 (October 1-December 31) . . .	73	97	514
1936	550	788	3,778
1937	1,311	1,817	7,524
1938 (January 1-July 31)	1,149	2,197	7,803
Sub-Total.	3,083	4,899	19,619
National Housing Act, 1938:			
1938 (August 1-December 31) . . .	1,198	1,697	6,037
1939	4,315	5,973	19,142
1940	4,897	5,621	16,721
1941	4,370	4,323	13,508
1942	1,138	1,093	3,170
1943	1,721	1,721	5,454
1944	1,393	1,393	4,855
1945	-407	-407	-1,368
Sub-Total.	18,625	21,414	67,519
National Housing Act, 1944:			
1945 (February 1-December 31) . . .	4,838	5,387	22,511
1946	7,341	11,827	55,591
1947	8,886	10,933	53,230
1948	15,313	18,776	104,291
1949	18,047	25,166	140,830
1950	33,934	42,280	284,487
1951	14,916	19,283	123,621
1952	23,718	34,323	249,084
1953	26,514	38,648	290,823
1954	4,629	7,603	56,313
1955	6	-97	-1,848
1956	52	80	188
1957	-3	-3	-50
Sub-Total.	158,191	214,206	1,379,071
National Housing Act, 1954:			
1954 (March 22-December 31) . . .	34,946	42,516	397,197
1955	56,143	65,433	617,160
1956	35,742	41,203	406,944
1957	39,977	48,936	494,004
Sub-Total.	166,808	198,088	1,915,305
TOTAL	346,707	438,607	3,381,514

Mortgage loans approved under the Housing Acts, by province, 1957

TABLE 5

<i>Province</i>	<i>Number of Loans</i>	<i>Number of Housing Units</i>	<i>Amount (\$000)</i>
Newfoundland	152	144	1,648
Prince Edward Island . . .	13	13	133
Nova Scotia	458	532	5,218
New Brunswick	388	392	3,832
Quebec	6,277	9,144	87,737
Ontario	22,019	25,920	267,256
Manitoba	1,116	1,472	13,828
Saskatchewan	1,519	2,121	19,962
Alberta	4,686	5,247	53,710
British Columbia	3,344	3,946	40,604
Northwest Territories . . .	—	—	—
Yukon Territory	2	2	26
CANADA	39,974	48,933	493,954

Home improvement loans approved, by province, 1957

TABLE 6

<i>Province</i>	<i>Number of Loans</i>	<i>Number of Additional Housing Units</i>	<i>Amount (\$000)</i>
Newfoundland	691	18	847
Prince Edward Island . . .	39	3	57
Nova Scotia	1,865	64	1,642
New Brunswick	418	29	475
Quebec	1,824	106	2,670
Ontario	11,734	344	10,181
Manitoba	1,351	17	1,305
Saskatchewan	1,266	34	1,436
Alberta	2,818	127	3,290
British Columbia	7,922	138	8,620
Northwest Territories . . .	9	—	19
Yukon Territory	10	—	16
CANADA	29,947	880	30,558

Federal-Provincial projects under the Housing Acts, 1950-1957

TABLE 7

Year and Province	LAND ASSEMBLY					RENTAL HOUSING UNITS(1)			
	Area Authorized (acres)	Expenditures, Land and Improvements (\$000)	Number of Lots			Expenditures (\$000)	Authorized	Completed	Under Construction as at Dec. 31
			Authorized	Developed	Sold				
1950	825.0	279	1,768	—	—	517	340	—	140
1951	607.7	896	2,974	135	98	1,329	1,495	140	191
1952	1,198.4	1,591	5,950	1,093	486	9,447	732	426	1,192
1953	1,882.4	1,834	1,086	922	930	11,752	378	1,518	580
1954	6,616.3	4,159	1,521	1,880	920	6,297	1,495	695	167
1955	336.0	1,439	175	440	738	3,330	968	197	92
1956	—236.9	2,067	—228	839	1,038	4,695	520	141	995(2)
Sub-Total	11,169.9	12,265	13,246	5,309	4,210	37,367	5,928	3,117	—
1957	320.2	2,877	1,850	991	898	15,963	1,202	658	1,579
Newfoundland	—	—	—	—	35	3	—	—	—
Prince Edward Island	—	—	—	—	—	—	—	—	—
Nova Scotia	—	—	—	—	—	450	—	—	—
New Brunswick	—	—	—	—	—	1,200	—	100	100
Quebec	—	—	—	—	—	39	800	—	—
Ontario	225.8	2,637	1,511	991	736	13,990	183	558	1,429
Manitoba	—	—	—	—	—	—	—	—	—
Saskatchewan	—	204	—	—	—	281	50	—	50
Alberta	—	—	—	—	—	—	—	—	—
British Columbia	94.4	36	339	—	127	—	169	—	—
TOTAL	11,489.1	15,142	15,096	6,300	5,108	53,330	7,130	3,775	—

(1) Includes houses moved from a Corporation project to a Federal-Provincial project in Hamilton. The number under construction at the end of 1955, 1956 and 1957 was 45, 175 and 104.
The number completed in 1956 and 1957 was 85 and 243.

(2) Revised to include 330 units started in Toronto in 1956.

Housing units under rental and sold, 1947-1957

TABLE 8

Year and Province	Number of Housing Units			
	Under Rental as at January 1	Acquired ⁽¹⁾	Sold ⁽²⁾	Under Rental as at December 31
1947	28,694	8,268	1,923	35,039
1948	35,039	7,498	5,422	37,115
1949	37,115	7,886	3,653	41,348
1950	41,348	4,464	7,156	38,656
1951	38,656	721	14,602	24,775
1952	24,775	301	5,432	19,644
1953	19,644	441	1,789	18,296
1954	18,296	69	723	17,642
1955	17,642	86	1,154	16,574
1956	16,574	104	1,574	15,104
1957	15,104	178	1,592 ⁽³⁾	13,690
Newfoundland	276	56	—	332
Prince Edward Island	29	—	—	29
Nova Scotia	405	—	15	390
New Brunswick	674	—	6	668
Quebec	1,850	67	25	1,892
Ontario	5,207	54	745 ⁽³⁾	4,516
Manitoba	1,781	—	393	1,388
Saskatchewan	931	—	116	815
Alberta	1,201	—	157	1,044
British Columbia	2,750	1	135	2,616

(1) Includes units acquired under guarantee to builders, units acquired from Housing Enterprises of Canada Ltd., from Atomic Energy Commission (now Atomic Energy of Canada Limited), reposessions and cancelled sales, in addition to units built for rental.

(2) Includes Home Conversion Plan units returned to owners, and the Deep River project returned to Atomic Energy Commission (now Atomic Energy of Canada Limited).

(3) Includes 224 housing units moved from a Corporation to a Federal-Provincial project in Hamilton.

Expenditures on housing research and community planning, 1946-1957

TABLE 9

Type of Expenditure	1946-1952 \$	1953 \$	1954 \$	1955 \$	1956 \$	1957 \$	1946-1957 \$
<i>Central Mortgage and Housing Corporation</i>							
Economic and Related Research .	595,415	106,044	155,789	171,749	190,185	204,095	1,423,277
Architectural Investigations . . .	248,857	33,265	70,690	59,324	130,487	135,310	677,933
Technical Investigations	3,171	503	252	—20	75,187	102,510	181,603
Community Planning	80,418	8,262	12,514	16,158	18,591	13,956	149,899
Other Housing Investigations . .	65,016	15,120	24,011	36,539	29,962	31,316	201,964
Information Services	183,480	56,503	94,694	64,038	54,870	43,945	497,530
Sub-Total	1,176,357	219,697	357,950	347,788	499,282	531,132	3,132,206
<i>Grants to Other Government Departments and Institutions</i>							
Economic and Related Research .	136,025	8,733	10,726	10,794	8,740	11,326	186,344
Architectural Investigations . . .	47,897	6,625	9,791	6,450	18,380	18,867	108,010
Technical Investigations	—	1,500	3,027	—	—	—	4,527
Community Planning	525,700	109,446	111,779	124,497	161,742	164,872	1,198,036
Other Housing Investigations . .	104,162	14,425	4,600	—	6,300	32,887	162,374
Information Services	—	932	—	—	—	—	932
Sub-Total	813,784	141,661	139,923	141,741	195,162	227,952	1,660,223
TOTAL	1,990,141	361,358	497,873	489,529	694,444	759,084	4,792,429

CORPORATION PUBLICATIONS

Reports

CANADIAN HOUSING STATISTICS — A quarterly report providing statistical information on the housing situation, particularly new house building and mortgage lending activity.

Financing

NHA LOANS FOR HOMES — A booklet giving a detailed explanation of the home-ownership provisions of the National Housing Act and the procedure to follow in obtaining an NHA loan.

NHA SMALL HOME LOANS — A leaflet outlining loans available for lower priced homes under the Government of Canada loans for small homes programme.

NHA RENTAL HOUSING LOANS — A leaflet outlining the financing of rental housing projects under the terms of Section 7(1) (j) of the National Housing Act.

NHA LIMITED-DIVIDEND LOANS — A leaflet outlining loans available under Section 16 of the National Housing Act to assist in the construction of low-rental housing projects or in the purchase and conversion of existing buildings to provide such accommodation.

NHA HOME CONVERSION LOANS — A leaflet outlining the financing of alterations required in adding one or more family housing units to existing residential structures under the terms of Section 7(1) (k) of the National Housing Act.

NHA FEDERAL-PROVINCIAL PROJECTS — A leaflet outlining the provisions of Section 36 of the National Housing Act for land assembly and housing construction to be undertaken jointly by the Federal and Provincial governments.

NHA HOME IMPROVEMENT LOANS — A leaflet outlining loans available under Part IV of the National Housing Act to assist in financing home improvements.

Design of Housing

SMALL HOUSE DESIGNS — A catalogue of house designs for which working drawings may be ordered from Central Mortgage and Housing Corporation local offices at nominal cost. These designs are made available through the co-operation of Canadian architects and Central Mortgage and Housing Corporation.

CHOOSING A HOUSE DESIGN — An illustrated book explaining to prospective home owners preliminary considerations on choice of neighborhood, lot, type of house, and steps to be taken in applying for a National Housing Act loan.

PRINCIPLES OF SMALL HOUSE GROUPING — An illustrated guide for house builders showing how housing groups may be arranged to obtain the best effects.

Construction

BUILDING STANDARDS (EXCLUDING APARTMENT BUILDINGS)—A booklet setting out the minimum requirements for planning, construction and materials for buildings upon which loans are made under the National Housing Act. HOUSING STANDARDS which is to be published by the Division of Building Research, National Research Council, will replace this publication in April, 1958.

APARTMENT BUILDING STANDARDS — A booklet setting out the minimum requirements for planning, construction and materials for apartment buildings upon which loans are made under the National Housing Act.

DICTIONARY OF HOUSE-BUILDING TERMS — Definitions of words describing methods and materials generally employed in the house-building industry.

General

A GUIDE TO SAFE HOME HEATING — A leaflet explaining the proper care and firing of warm air gravity furnaces.

A LOT TO BE PROUD OF — A booklet explaining proper maintenance of lawns, trees and shrubs.

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**Member of the Executive Committee*

***Alternate Member of the Executive Committee*

CENTRAL MONTREAL AND HOUSING COOPERATIVES OFFICES (SOCIÉTÉ COOPÉRATIVE)

REGIONAL OFFICES

Halifax
Montreal
Toronto
Winnipeg
Vancouver

LOCAL OFFICES

Fredericton, Gander, Halifax, Moncton, Saint John, St. John's.
Chicoutimi, Hull, Quebec, Rimouski, Sherbrooke, Trois-Rivières, Val d'Or,
Montreal Area — Dorval, Montreal City, St. Lambert, St. Laurent, St. Michel.

Ajax, Belleville, Brantford, Cornwall, Fort William, Guelph, Hamilton,
Kingston, Kitchener, London, Niagara Falls, North Bay, Orillia, Ottawa,
Peterborough, St. Catharines, Sarnia, Sault Ste. Marie, Sudbury, Windsor,
Toronto Area — Etobicoke, North York, Scarborough.

Brandon, Calgary, Edmonton, Lethbridge, Moose Jaw, Red Deer,
Regina, Saskatoon, Winnipeg.

Chilliwack, Kelowna, Kitimat, Nanaimo, New Westminster, North Vancouver,
Prince George, Trail, Vancouver, Victoria.

CENTRAL MORTGAGE AND HOUSING CORPORATION OTTAWA, CANADA

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CENTRAL MORTGAGE AND HOUSING CORPORATION

13th annual report 1958

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CENTRAL MORTGAGE AND HOUSING CORPORATION

1958 IN BRIEF OUTLINE

More new homes were started in 1958 than in any previous year. Dwellings started totalled 164,632 compared with 122,340 in 1957 and the previous record of 138,276 in 1955. The number of dwellings completed was 146,686 compared with 117,283 in 1957 and the previous high of 135,700 in 1956.

Lending activity under the National Housing Act was also at a higher level than ever before. The banks and the life, trust and loan companies approved loans for 45,716 dwellings, 91% more than in 1957. Loans for 36,453 dwellings were approved by the Corporation, 46% more than in 1957. The volume of direct lending for home ownership in 1958 was three times as great as the volume from the beginning of 1946 to the end of 1956.

Construction expenditures for new housing totalled \$1,782 million in 1958, \$352 million more than in 1957. There was a decline in the volume of non-residential construction expenditures, but this was more than offset by the increase in the residential sector and total construction expenditures were higher than in 1957.

The National Housing Act was amended in May to increase to \$750 million from \$400 million the amount available to the Corporation for its direct lending and related activities.

Houses financed under NHA were somewhat smaller than in 1957, reflecting in part the size restrictions under the small home loans programme. There was a moderate increase in construction costs.

The building of homes for lower-income groups was greater than in any previous year. Loans were approved by the Corporation to limited-dividend housing companies for 6,282 low-rent dwellings in the amount of \$49.2 million and 1,073 dwellings were approved for Federal-Provincial projects.

CENTRAL MORTGAGE AND HOUSING CORPORATION

Central Mortgage and Housing Corporation is a Federal Crown corporation incorporated by Act of Parliament in 1945 (R.S.C. 1952, c.46). Under this Act, the National Housing Act, 1954, and earlier Housing Acts, the Corporation is empowered to:

Insure mortgage loans on new housing made by banks, life insurance and trust and loan companies, and other approved lenders;

Make mortgage loans to borrowers unable to obtain insured loans from private NHA lenders and make mortgage loans to limited-dividend housing companies on low-rental housing projects;

Provide guarantees to banks on loans made for home improvement and guarantee returns from moderate-rental housing projects built by life insurance companies and private investors;

Buy and sell insured mortgage loans and make loans to mortgage lenders on the security of mortgages and debentures;

Participate with provincial governments in the development of serviced land for residential purposes and in the construction of housing projects and, on behalf of the Federal Government, join with municipalities in the acquisition and clearance of areas for urban redevelopment;

Construct, own, and manage housing projects on its own account, and on behalf of Federal Government departments and agencies;

Encourage the development of better housing and sound community planning;

Conduct housing research and research on mortgage financing.

The improvement of housing and living conditions is the main business of CENTRAL MORTGAGE AND HOUSING CORPORATION and all its effort is directed to this objective.

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Central Mortgage and Housing Corporation

March 11th, 1959.

Honourable Howard Green,
Minister of Public Works,
Ottawa, Canada.

Dear Mr. Green:-

I have the honour to submit, on behalf of the Board of Directors, a report of the activities of the Corporation and a statement of the accounts for the fiscal year ended 31st December, 1958.

The members of the Board wish to express their appreciation of the work of the staff during the year. Many adjustments were made in 1958 to meet changing conditions. Through all of these changes the loyalty and co-operation of the staff contributed greatly to the efficiency of our organization.

Yours very truly,

Stewart Bates

President.



CANADA'S HOUSING IN 1958

Housing attained in 1958 a new and imposing stature. In a year that opened in an atmosphere of economic uncertainty, the industry was called upon to play a decisive role; in a year that ended with record production levels, it achieved recognition as a major force in the nation.

Enterprise on the part of Canada's house builders, the stimulating effect of Government measures and a unique balance of private and public mortgage funds combined to produce a volume of new residential construction far exceeding that of any previous year.

The record, measured in concrete terms of 164,632 dwellings started and 146,686 completed, would have been impressive in any year. In 1958, it was the more so by contrast with reduced activity in other sectors of the economy. Expenditures on house building were 25% above those of the previous year; expenditures on other types of capital investment were down by 9%.

The industry accepted, during the year, a measure of responsibility for seeking new means of stabilizing the flow of mortgage funds, developing new techniques and effecting cost reductions. Steps taken by the Government to search out new sectors of the market were tested in 1958 and the measure of success pointed the way to future patterns.

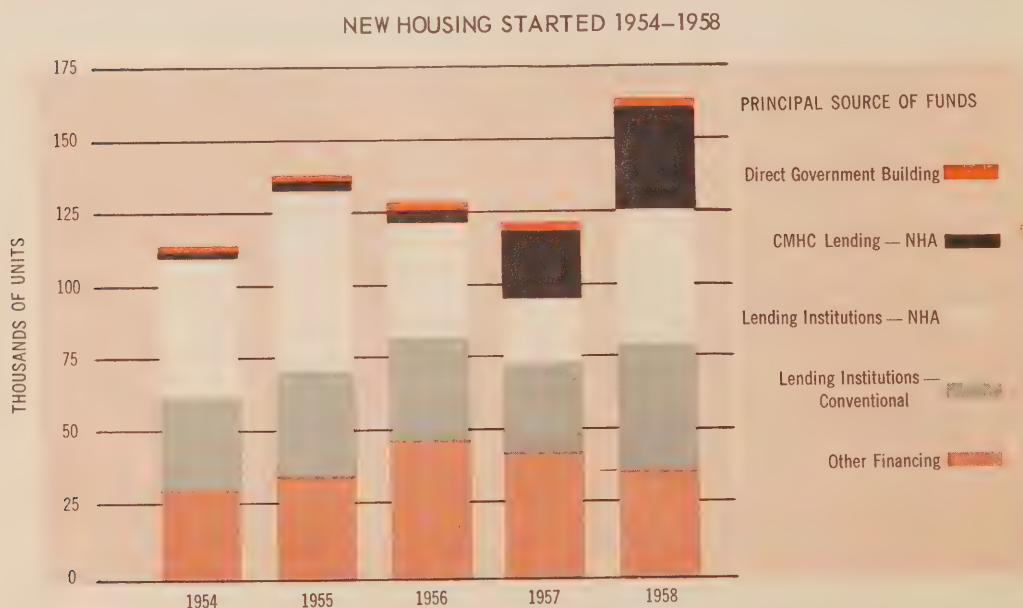
The industry entered 1958 with 72,570 houses under construction and an additional 9,300 dwellings were started in the winter months of January and February. More than one-half of this activity was financed with public funds and it appeared that a continuing high level of production would be largely dependent upon this source; but within a few months private lenders, faced with fewer demands for capital investment for other purposes,

began to share fully in meeting the growing requirements. During the year, they approved mortgage loans for \$810 million, compared with \$517 million in 1957. About two-thirds of this volume was under the National Housing Act in 1958 compared with a little more than one-third in 1957. Notwithstanding the renewed activity of private lenders, the Corporation was called upon to supply an increasingly large amount of mortgage funds as the year progressed.

Government lending in 1958 amounted to the unprecedented total of \$373 million. Of this total, \$309 million was used to finance homes for owners, \$55 million going to individuals building their own homes and \$254 million to builders building homes for sale to owners. The remaining \$64 million was used to finance multiple units for rent. In all, 27,788 individual dwellings and 8,665 multiple units were financed with these funds.

Of the \$373 million Government funds committed in 1958, 76%, or some \$282 million, went to the metropolitan and larger urban areas; 10%, or some \$36 million, went to other towns and cities of more than 5,000 population and \$55 million to the smaller centres and rural communities (Table 3).

This Government lending amounted to about one-half of the total National Housing Act programme in 1958 and added significantly to the volume of housing starts, the amount of employment in the building industry and the purchase of construction materials and durable appliances for new households.



The underlying strength of conditions in the housing market was reflected in the ease with which the larger supply of mortgage funds was taken up. A substantial part of the demand — demand that might not otherwise have materialized — came from families of modest means enabled to undertake home ownership through the more favourable terms of the Act introduced in December, 1957. These reduced the amount of down payment and eased income requirements for borrowers. Thus, more families of low and middle incomes with small savings entered the home-ownership market. Moreover, the bulk of public funds was made available only for houses that were restricted in size. As a result, 78% of the public funds in 1958 was used to finance smaller homes.

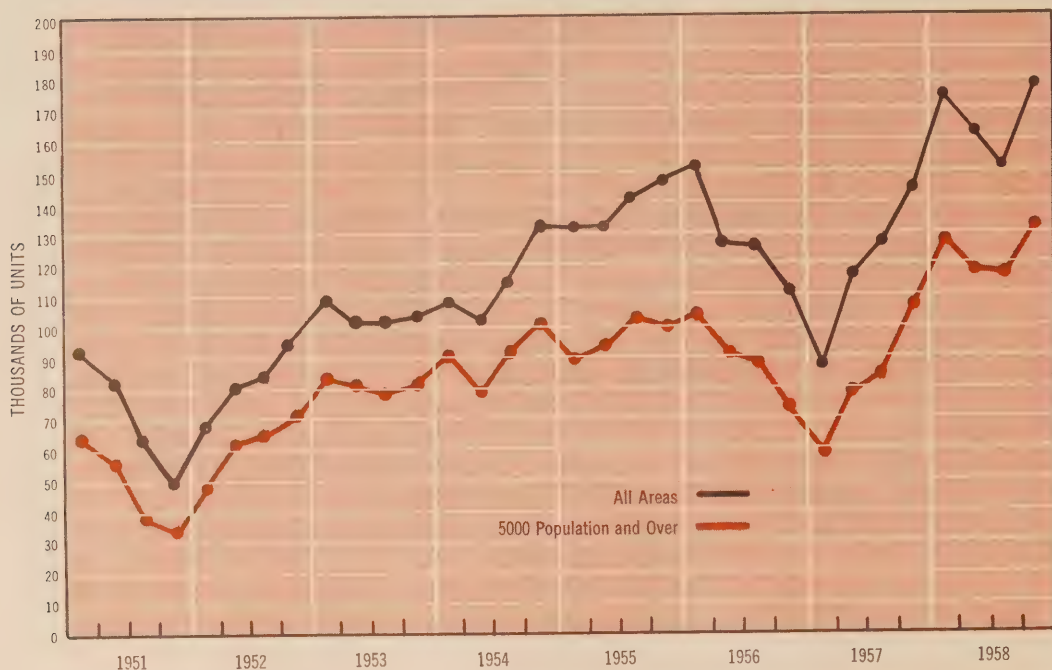
The incomes of more than one-half of these borrowers were less than \$5,000 a year while one in seven earned less than \$4,000. For all borrowers under the National Housing Act, the average income in 1958 was \$5,657, compared with \$5,798 in 1957.

The main impact in 1958 of the various special measures taken by the Government was on the construction of houses for home owners and the total number of these commenced during the year increased by 25% to 115,221 from 92,227 in 1957. The increase in the number of rental units was, however, relatively greater, rising to 49,411 from 30,113. About two-thirds of the larger rental volume was financed by conventional mortgage loans from lending institutions, with the balance of the increase under the National Housing Act. A shortage of attractive alternative investment outlets, as well as the increased availability of mortgage funds, contributed to the rise in the production of rental units. Similar circumstances brought about much the same result in 1954.

The record volume of house-building activity was achieved with the smallest increase in building costs of recent years. Cost per square foot of single-family houses financed under the National Housing Act averaged \$10.51 in 1958 compared with \$10.35 in 1957. The average total cost of these houses was estimated at \$14,708 in 1958 compared with \$14,493 in 1957. A number of factors contributed to this relative stability: the average size of single-family dwellings built in 1958 was smaller than in the previous year, down from 1,137 square feet to 1,118 square feet. This in large measure was a reflection of the size limitation in 35% of the dwellings; however, houses not affected by size limitations were also slightly smaller. Similar changes took place in 1952 and 1955 when there were substantial increases in the flow of mortgage funds and also increased production of smaller houses. Land costs continued to increase and the average lot cost \$2,471 in 1958 compared with \$2,260 in the previous year.

The high level of house building for home owners was accompanied by record sales of homes. Sales, however, did not quite keep pace with completions and, over the year, there was a modest increase in the inventory in the larger urban centres of about 600 dwelling units. Rental dwellings were also completed at a faster rate than they were absorbed by tenants and there was some increase in newly completed but unoccupied apartments.

HOUSING STARTS — SEASONALLY ADJUSTED AT ANNUAL RATES



The National Housing Act permits the sale and purchase of insured mortgage loans, not only between approved lenders, but also to other corporate investors and to private individuals, provided the loans are administered by an approved lender. During the past four years sales by lenders have amounted to \$179 million, \$48.7 million in 1958.

Concern over the improvement of housing conditions matched the upsurge in private activity in 1958. Construction started in 10 public housing projects which will provide 1,586 dwellings for families of low income. Demand for limited-dividend loans to provide low-rental accommodation, much of it for old people, was strong and arrangements were made for the construction of 6,282 dwellings. Redevelopment plans took shape in many communities and a number applied for Federal assistance to study their housing and redevelopment needs.

The year ended with a record volume of house-building activity under way for the winter season. On December 31st, there were 88,162 dwellings under construction.

THE NATIONAL HOUSING ACT

A number of legislative and policy changes affected operations under the National Housing Act in the year 1958.

On May 20, the National Housing Act was amended increasing to \$750 million from \$400 million the amount that may be advanced out of the Consolidated Revenue Fund to Central Mortgage and Housing Corporation for its direct lending and related activities (1958 S.C. c.3).

NHA
Sections 11, 40

On February 7, the arrangement of September 3, 1957, under which loans to rental investors were made by agents of the Corporation was suspended. On April 10, the arrangement for agency loans to home owners and builders was also suspended. On May 22, the Corporation's residual lending was extended to home owners in centres of more than 55,000 population and to builders in all areas. To qualify for these loans the dwellings were subject to the size limitations previously applicable to houses financed under the agency agreement.

NHA
Sections 5, 6

On March 29, the maximum loan by Regulation on multiple rental housing projects was raised to \$8,250 per unit (Order in Council P.C. 1958-456).

NHA
Section 12

On April 14, "Housing Standards" published by the Division of Building Research, National Research Council, were adopted as the minimum requirements for houses financed with NHA loans.

NHA
Section 12

On October 16, the maximum rate of interest on loans made under Section 16 of the Act to limited-dividend housing companies was raised to $4\frac{3}{8}\%$ from $4\frac{1}{2}\%$ (Order in Council P.C. 1958-1444).

NHA
Sections 4, 16



REPORT OF OPERATIONS

More housing was built under the National Housing Act in 1958 than in any previous year. During the year, financing was approved for 83,242 dwellings, an increase of 68.7% over the 49,336 approved in 1957 (Tables 6 and 7)¹.

Although private lenders greatly increased their supply of funds for loans under the Act in 1958, Central Mortgage and Housing Corporation was called upon, as in 1957, to be a major lender and provided 42% of the funds committed (Table 4).

National Housing Act financing in 1958 was made up of insured loan approvals for 45,716 homes, direct and agency loans for 36,453, and 1,073 authorized by Federal-Provincial partnerships.

INSURED LOANS BY APPROVED LENDERS

The chartered banks increased their insured lending by more than 77% over the previous year and approved loans for 25,713 homes in 1958 compared with 15,091 in 1957. The life, trust and loan companies more than doubled funds available for this purpose in 1958 and provided financing under the Act for 20,001 dwellings compared with 8,893 in 1957. In all, the private lenders financed 45,716 homes in 1958 compared with 23,984 in 1957. Increased activity took place in all regions (CHS — Table 36)².

Most of the insured loans were made for owner-occupancy, 26,228 to builders for sale to owners and 12,005 to owner-applicants who made their own arrangements for construction. Insured loans for rental purposes were approved in 1958 for 7,483 dwellings compared with 1,381 in 1957 (CHS — Table 36).

The average insured loan for home ownership amounted to \$11,954 in 1958 and the average down payment was \$3,485. In 1957, the corresponding amounts were \$11,120 and

NHA
Sections 6, 7, 8

¹All references to "Tables" are to tables in this report.

²All references to "CHS" are to Canadian Housing Statistics, 4th quarter, 1958.

\$3,929. The higher loan amount and the smaller down payment reflected amendments made to the Act late in 1957. With higher loan amounts monthly repayments increased and averaged \$97, 19.4% of borrower's income compared with \$91 or 18.5% of income in 1957.

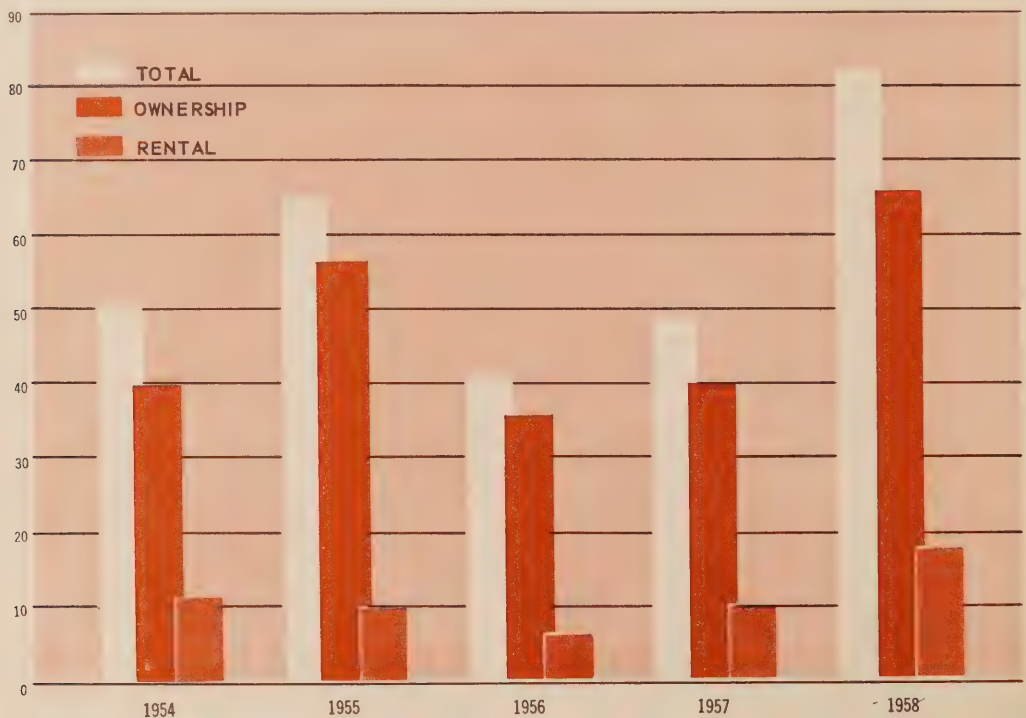
The one-storey three-bedroom house continued to be in greater demand than other types and 84 in every 100 insured loans were for this type. Split-level houses maintained their popularity and comprised approximately 13% of all single-family dwellings financed with insured loans in both 1957 and 1958. About 2% of insured loan applications in 1958 was for two-storey houses (CHS — Table 23).

Houses were slightly smaller, on the average, than in 1957. The average floor area of single-family houses financed with insured loans was 1,161 square feet this year compared with 1,175 square feet in the preceding year. Wage rates in the construction industry increased in 1958 and there was a slight rise in the index of residential building material prices. The average price paid for lots was \$2,590 in 1958 compared with \$2,272 in 1957. Reflecting these increases, estimates of costs made by applicants for insured loans for single-family houses were higher than in 1957. The total average cost was estimated at \$15,308, made up of \$12,230 for construction, \$2,590 for land and \$488 for other items. The average cost in 1957 was \$14,950 (CHS — Table 59).

Borrowers came from virtually the same income and age groups as last year. The average borrower had an income of \$5,918 and was 35 years of age. There were one or two children in the families of 52% of borrowers, while 24% of borrowers had three or more children. The income of the average borrower in 1957 was \$5,857. The slightly higher level this year reflected in some measure generally rising incomes in 1958.

Thousands
of Units

NATIONAL HOUSING ACT APPROVALS



LOANS BY THE CORPORATION

The Corporation has a function as a residual lender and may supplement private lending with direct lending from public funds. Direct loans may be made through its own offices or through agents approved by the Corporation. The Corporation may also make direct loans to limited-dividend housing companies and to companies engaged in primary industries.

NHA
Sections 3, 16, 17, 40

In 1958, 36,453 new dwellings were financed with loans by the Corporation. This total was made up of 11,310 under the agency arrangement, 18,936 through direct loans and 6,282 low-rent dwellings in limited-dividend housing projects. No loans were made to primary industries during the year. In 1957, 24,949 dwellings were financed under these provisions of the Act (CHS — Table 36).

LOANS THROUGH AGENTS OF THE CORPORATION

Under the agreements of September 3, 1957, approved lenders, acting as agents of the Corporation, made loans from public funds for 11,310 homes during 1958. Loans for 2,435 rental dwellings were made up to February 7, 1958, when the arrangement for loans to rental investors was suspended. Loans to home owners and builders were made for 8,875 dwellings before this part of the programme was also suspended. Houses financed under the agency arrangement were subject to limitations in size and excluded designated special features. Builders were limited to 25 loans in each area of operation (CHS — Table 36).

NHA
Sections 3, 40

DIRECT LOANS BY THE CORPORATION

The Corporation continued to make direct loans in centres of less than 55,000 population to home-owner applicants who were unable to obtain loans from an approved lender. Loans were approved in these communities for 2,076 dwellings in 1958 compared with 2,819 in 1957.

NHA
Section 40

Following suspension of the agency arrangement and the provision of additional funds, the Government directed the Corporation on May 22, 1958, to extend its lending facilities to areas and borrowers not previously served. The extension made loans available to home owners in centres having a population in excess of 55,000 and to builders in all areas, if loans could not be obtained from approved lenders. Loans under this programme were subject to the same restrictions as dwellings financed under the agency arrangement. Builders were also limited in the number of loans to a total of 25, inclusive of agency loans. In September, a new quota of 25 loans for builders was announced. In 1958, loans for 15,847 small homes were approved by the Corporation under these extended lending arrangements (CHS — Table 36).

The average home built under the small home loans programme, including both agency and direct loans, had 1,041 square feet of livable space and cost an estimated \$13,629. The average loan and down payment at \$11,210 and \$2,412 were lower than for insured loans by

\$744 and \$1,073. Borrowers were able to finance these homes at an earlier age than insured loan borrowers and the average was 33 years. Some 52% of applicants for home-owner loans had one or two children, while 23% had three or more. The average income of borrowers in this group at \$5,186 was approximately \$732 lower than that of insured loan applicants. The average borrower receiving a small home loan was committed to monthly payments of \$90 or 21% of his income.

Home-owner loans for 746 dwellings were made to veterans building under Part II of the Veterans' Land Act. Financing for these homes is provided during construction by the Director, VLA, and on completion, the Corporation assumes the mortgage.

The Corporation also provided financing for 14 co-operative housing companies building 244 dwellings. In 1957, loans were approved for 212 homes built by co-operative groups. Other direct lending financed 23 homes in 1958.

LOANS TO LIMITED-DIVIDEND HOUSING COMPANIES

Demand for Government-financed loans by limited-dividend housing companies increased sharply in 1958 and loans were approved for 6,282 units, an increase of 2,158 over 1957 approvals (CHS — Table 36).

The basic income limitations for tenants of limited-dividend housing were changed during the year to direct this accommodation towards the lower third income level in the community instead of the lower half. To meet the reduced rentals resulting from these new income limitations it was necessary for sponsors to produce this accommodation at a lower capital cost.

Approximately 1,500 of the dwellings approved were for old people and were sponsored mainly by non-profit organizations. Most of these projects received assistance from their provincial or municipal governments in the form of grants or tax concessions.

NATIONAL HOUSING ACT MORTGAGES OUTSTANDING

Mortgage debt arising out of lending operations under the Housing Acts since 1935 was outstanding in the amount of \$3,175 million at the end of 1958 compared with \$2,535 million at the end of 1957. Advances to borrowers in 1958 exceeded repayments by some \$640 million.

JOINT LENDING

Of the total amount outstanding \$764 million resulted from the system of joint lending under the pre-1954 Housing Acts in which lending institutions provided three-quarters of the funds and the Government the remaining portion.

The lending institutions' share outstanding at the end of 1958 was \$557 million and the contingent liability under the Pool Guarantee arrangement, which made provision for losses

sustained by the lenders, was \$59.8 million. The lenders took foreclosure action in one case in 1958. The property was sold without loss.

The Government's share of joint loans outstanding at the end of 1958 was \$207 million.

INSURED LENDING

More than \$1,743 million of the debt outstanding is made up of loans by approved lenders under the 1954 Act. These loans are insured against loss for 98% of the principal amount and a mortgage insurance fee is collected from the borrower and paid into the Mortgage Insurance Fund. Claims accepted are payable from the assets of the Fund and the properties insured are acquired by the Fund. In addition, residual direct loans by the Corporation are outstanding in the amount of \$357 million. These are also covered by the loan insurance provisions of the Act. Mortgage insurance in force at the end of 1958 was \$2,100 million and assets of the Mortgage Insurance Fund amounted to \$45.7 million.

NHA
Sections 9, 10

NHA
Section 40

Six claims were paid out of the Fund in 1958. Five of the properties thus acquired by the Fund have been disposed of and one is still in a sales position. The lenders also reported foreclosures or similar proceedings in three cases in 1958, in which mortgage insurance claims were not filed. Foreclosure action or similar proceedings were taken in five cases involving direct loans. Four of these properties have been disposed of and one case was in process of sale at the end of 1958.

DIRECT LENDING

Direct lending operations of the Corporation, apart from those covered by the mortgage insurance provisions of the 1954 Act, account for \$208 million of mortgages outstanding. These include loans to limited-dividend companies, to primary industries and to investors in rental guarantee projects as well as loans to home owners made prior to 1954. The Corporation acquired title in 1958, in two cases in default, one involving a single house and the other a 10-unit limited-dividend project. The properties had not been disposed of at the end of the year.

MORTGAGE AND SALE AGREEMENT ACCOUNTS

The Corporation also had at the end of 1958, 31,725 mortgage and sale agreement accounts in the amount of \$103 million resulting from the sale of Corporation-owned houses and property. Default in two accounts resulted in repossession or foreclosure and sale of the properties.

NHA
Section 39

PURCHASE AND SALE OF NATIONAL HOUSING ACT MORTGAGES

The National Housing Act provides for the purchase and sale of insured mortgage loans. A secondary market has developed in insured loans, releasing funds which may serve as

CMHC Act
Section 28

NHA
Section 11

a source of new investment in residential mortgages. Corporate bodies and pension funds have been among the largest purchasers. Chartered banks have made the highest proportion of sales. During 1958, the Corporation sold to an approved lender mortgages valued at \$1.5 million which it held as a result of direct loans. The Corporation's Pension Fund then purchased these from the approved lender. Total sales of insured loans by lenders in 1958 amounted to \$48.7 million compared with \$62.2 million in 1957 (CHS — Table 30).

HOME IMPROVEMENT LOANS

NHA
Section 24

During the past two years, the Federal Government has drawn to the attention of owners the advantage of making improvements to their homes during the winter months when normal construction activity is below average. Partly as a result of this encouragement more loans were made under the Home Improvement Loan provisions of the Act in 1958 than in any previous year. The Corporation guaranteed 37,132 loans made by banks for a total amount of \$39.6 million, compared with 29,947 loans for \$30.6 million in 1957 (Table 5).

NHA
Section 30

At the end of the year, banks reported the value of Home Improvement Loans outstanding as \$57.3 million. The maximum amount guaranteed by the Corporation was \$6.2 million and the balance in the Home Improvement Loan Insurance Fund was \$1.2 million.

During the year, claims paid to lenders amounted to \$70,166, raising the amount of total claims paid to \$120,912, or 1.0% of loans made. The Corporation has recovered from borrowers \$4,636 of the claims paid. At the end of the year 1,990 loans were reported in arrears for sixty days or more.

URBAN REDEVELOPMENT, PUBLIC HOUSING AND LAND ASSEMBLY

NHA
Sections 23, 36

Under the National Housing Act, the Federal Government may contribute to a municipality up to one-half the cost of acquiring and clearing blighted or substandard areas for redevelopment. The Act also provides for the construction of public housing and the development of land for residential purposes under Federal-Provincial agreements. The costs, and profits or losses in the operation of these projects, are shared 75% by the Federal Government and 25% by the Province or its agent.

URBAN REDEVELOPMENT

NHA
Section 33

The launching of urban redevelopment entails a considerable amount of study and preparatory work. The Federal Government provides grants to assist municipalities in carrying out studies which identify areas of blight, investigate housing requirements and prescribe solutions to these local problems. In 1958, grants were approved for studies in Kingston, London, Ottawa, Windsor, Moncton, Saskatoon, Regina, Trail and Prince George.

At the beginning of 1958, blighted areas in the cities of St. John's, Halifax, Montreal and Toronto were under redevelopment with financial assistance from the Federal Government.

Clearance of the 5-acre site in St. John's was completed early in 1958 and a public housing project of 46 dwellings was commenced on the site under a Federal-Provincial partnership agreement.

In Halifax, the redevelopment project comprised some 12 acres and during the year 56 properties were acquired by the city and demolition of the buildings was commenced. The cleared land is to be re-used for commercial purposes which are more appropriate to the locality than housing. Housing accommodation, however, will be offered to former residents of the area in a 348-unit public housing project in another part of the city. Approval has been given for the housing project.

By the end of the year, 10 acres of the 20-acre site in Montreal had been cleared and construction commenced on the first of 796 dwellings in Les Habitations Jeanne Mance project which is to replace the substandard housing.

Clearance of the 26.5 acres in Regent Park South, Toronto, was completed in 1958 and at the end of the year 597 of the 732 units under construction on the site by a Federal-Provincial partnership were completed and occupied.

During the year, applications for Federal assistance to redevelop substandard areas were received from the cities of Windsor and Halifax. Windsor proposes to redevelop 27 acres near its new city hall and to re-use the land for housing as well as for civic and institutional purposes. The second undertaking in Halifax is for the clearance of approximately one city block which will be re-used for commercial purposes. A number of other cities have indicated interest in redevelopment and, in several, preliminary plans are well advanced. Federal approval was given to the City of Vancouver to investigate a proposal for two housing projects which will provide accommodation for residents of an area ultimately to be cleared and re-developed.

PUBLIC HOUSING

In addition to the housing associated with redevelopment, the Federal Government approved the construction of projects in Cornwall, Toronto, Hamilton, London, Windsor and Goderich. These will provide a total of 785 low-rental dwellings. Federal approval to proceed with the investigation of proposals for public housing was also given to a number of other cities, including Ottawa, Toronto and Regina.

During the year, construction was started on 1,586 dwellings in public housing projects, including those in redevelopment sites, and 1,812 were completed. Progress was well advanced in Lawrence Heights, Toronto, and by the end of the year 768 of the 1,043 dwellings were completed and occupied. At the end of the year, construction was in progress on three other large developments, 169 dwellings in Vancouver, 207 in Windsor and 146 in St. John's (Table 7).

Under an arrangement with the Province of Nova Scotia and the Nova Scotia Housing Commission, the Corporation and the Commission may undertake jointly projects for the construction of homes for co-operative companies. Eighteen projects were initiated under this arrangement in 1958 for the construction of 170 homes. Since 1953, when this programme was commenced, 51 projects have been approved for 518 dwellings.

LAND ASSEMBLY

NHA
Section 36

Federal Government approval was given during the year for land assembly projects in Brantford, Galt, Renfrew and Sandwich East, in Ontario, and in Swift Current, Saskatchewan. These projects will provide a total of 1,814 fully-serviced residential lots.

In Trail, British Columbia, approximately 50 acres of land were acquired by a Federal-Provincial partnership for future development. Approval was given to the city of Toronto to investigate a proposed project which would provide approximately 280 lots.

During 1958, 1,003 lots were placed on sale and 1,053 lots were sold. Since the first land assembly project was undertaken in 1950, 7,303 lots have been developed and 6,161 lots have been sold (Table 7).

PROPERTY MANAGEMENT

NHA
Section 37

At the beginning of 1958 the Corporation owned and managed some 13,691 dwellings. Most of these were built under postwar construction programmes but some were built in more recent years for Government departments. The Corporation also provides management services for housing owned by the Department of Public Works at Kitimat, British Columbia.

During the year 60 houses were constructed at Gander but the total number of dwellings owned by the Corporation was reduced to 12,586, mainly through the sale of 1,189 houses (Table 8).

In 1958, rental revenues from housing owned by the Corporation amounted to \$7.7 million, representing an average rent of about \$590.

CMHC Act
Section 29
NHA
Section 37

Operating expenses, other than administration costs, amounted to \$2.8 million in 1958, approximately \$213 per unit. Average expenditures in 1957 were \$212 a unit. Municipalities received \$1.6 million in payments in lieu of taxes on Corporation-owned houses. Agreements with 25 municipalities were revised to provide for higher payments in lieu of taxes, generally equal to regular taxes. At the end of the year rental arrears amounted to \$42,600, or 0.6% of rent receivable. Arrears not exceeding one month made up 70% of this total.

There was a 7.1% turnover in occupancy of these houses. Veterans, who are given preference in the allocation of Corporation-owned units, occupied 93% of the dwellings in 1958. The renting of units to non-veterans was authorized in localities where there had been a substantial decline in veteran applications.

The sale of the Corporation's land and industrial and commercial holdings in Ajax was completed in April, 1958.

CONSTRUCTION FOR GOVERNMENT DEPARTMENTS AND AGENCIES

Construction of housing and related services is undertaken by the Corporation for other Government departments and agencies.

During 1958 the Corporation awarded contracts and supervised the construction of 1,618 family dwellings and 14 schools or extensions for the Department of National Defence. The Corporation also arranged for the building of 100 rental units for servicemen's families at Summerside, Prince Edward Island; the units are to be owned and operated by a private company, with mortgage financing provided by the Department of National Defence.

Construction of a 202-room hotel and improvements to nine other buildings were undertaken for Atomic Energy of Canada Limited at Deep River, Ontario. One hundred and two housing units were also completed in the town during the year (Table 10).

CMHC Act
Section 29

HOUSING DESIGN AND COMMUNITY PLANNING

The Corporation has, under the National Housing Act, a responsibility in the field of design and planning to take measures leading to the improvement of housing conditions and the orderly growth of communities.

NHA
Section 31

The Corporation carries out design of housing and related buildings and assists organizations and institutions engaged in the development of community planning and the improvement of housing design.

During 1958 the Corporation was responsible for the design of 18 housing projects and 11 land assembly projects for Federal-Provincial partnerships. In large projects, such as the 348-unit Mulgrave Park development in Halifax, the Corporation's architectural staff was associated with private architects.

Eighteen housing developments were designed for servicemen's families in military establishments across the country. In addition to its work for the Department of National Defence, the Corporation also carried out work in this field for the Department of Northern Affairs and National Resources and Atomic Energy of Canada Limited.

CMHC Act
Section 29

To assist developers in making the most advantageous use of site conditions, the Corporation's planning staff provides an early review of the layout of any housing project intended for NHA financing. To further this work the Corporation has, over the past few years, augmented its planning staff and in 1958 was able to provide increased service to developers throughout the country. Layouts for limited-dividend housing developments, which are also reviewed, this year involved more than 9,200 dwellings.

The Corporation sells working drawings of single houses designed by architects to meet National Housing Act loan requirements. In 1958, 8,017 sets of drawings were purchased by the public. A new catalogue of house plans was issued in October, 1958.

NHA
Section 32

The Corporation continued its support of the Canadian Housing Design Council. The main work of the Council, which was formed by a group of citizens in 1956, is the encouragement of improved housing design. In 1958, the Council again presented awards for good design in housing.

Fifteen fellowships and bursaries were awarded in 1958 to assist graduate students in the fields of housing, planning and urban development. Financial assistance was given to the four universities offering professional planning courses.

As in previous years a grant was made to the Community Planning Association of Canada which, through its co-ordination of local activities and the publication of information, has made a significant contribution to the development of planning in Canada.

HOUSING RESEARCH

The Corporation conducts and sponsors research and development activities in the economic and technical fields relating to housing. Its own staff carries out much of this work but it also arranges for projects to be undertaken by organizations outside the Corporation. Financial assistance for these activities is provided under the National Housing Act.

ECONOMIC RESEARCH

The Corporation conducts research into the factors affecting housing and its continuing studies deal with the measurement of the demand for new housing, the volume of new housing built and the supply of mortgage money for house construction. The Corporation co-ordinates and publishes basic statistical information on housing.

Following a pilot study undertaken in 1957, the Corporation has expanded and will conduct the sample survey of housing starts and completions in the small centres and rural areas of Canada. The survey was formerly carried out by the Dominion Bureau of Statistics.

A survey has been undertaken by the Dominion Bureau of Statistics, with assistance under the Act, which will yield data on rent levels for the larger cities on a continuing and systematic basis.

The Metropolitan Planning Commission of Greater Winnipeg, with the assistance of a grant under the Act, is engaged in a study of the kinds of data of greatest service to urban planners. The study will be extended into surveys along the lines found most useful in assessing the continuously changing needs of urban areas.

BUILDING MATERIALS AND METHODS

The Corporation investigates, on request, the performance of new materials, methods and equipment to determine their suitability for use in houses financed under the Act. The National Research Council and Government departments with testing facilities carry out the

experimental work for the Corporation. In 1958, there were nearly 900 acceptances by the Corporation, about one-third of which were for wider uses of products or methods.

As residential and industrial expansion take place, economies in methods of waste disposal are of increasing importance to urban growth. In 1958, a grant was made to the Ontario Research Foundation to continue a study commenced in 1957 of methods of household waste disposal. A grant was also made to the Pulp and Paper Research Institute for an investigation into ways of adapting to individual household systems disposal techniques developed recently for industrial purposes.

The Corporation continued to co-operate with the National House Builders' Association and the Division of Building Research, National Research Council, in the preparation of plans and financing of a budget research house. The plans include a simplified heating system and other structural features which may help to reduce costs.

Work continued, in co-operation with industry and the National Research Council, in the development of uses for foamed plastics suitable for structures.

ORGANIZATION AND STAFF

In 1958 a functional re-organization took place within the Corporation. Changes were made in many of the operating procedures and mortgage and property administration was concentrated in 17 offices best located to carry out these activities. In its lending operations increased authorities were vested in the local managers.

CMHC Act
Sections 14, 15

The re-organization was carried out to help the Corporation serve the public in the most efficient and economical way and to make it more flexible so that it can move quickly to meet changes in the volume and nature of its business.

Under these new arrangements the Corporation was able, in 1958, to carry out the work resulting from a volume of lending 64% greater than that of the preceding year with an increase in staff of less than 2%. At the end of 1958 the staff numbered 1,961 compared with a staff of 1,930 at the end of 1957 and of 2,414 at the peak in mid-1956.

ACCOUNTS

The gross income of the Corporation was \$45,977,100 (\$33,525,300 in 1957). Net income transferred to the Reserve Fund after providing \$2,181,000 for income tax was \$2,362,466 (\$1,017,500 in 1957). Realization on the sale of property acquired from the Government of Canada, also transferred to the Reserve Fund, was \$5,632,527 (\$4,733,800 in 1957). The total of \$7,994,993 (\$5,751,277 in 1957) was transferred from the Reserve Fund to the credit of the Receiver General. Assets of the Corporation increased by \$349,448,099 from \$732,200,477 to \$1,081,648,576.

CMHC Act
Section 30

The Auditors' Report and the financial statements of the Corporation follow.

AUDITORS' REPORT

To the Minister of Public Works:

We have examined the attached financial statements of Central Mortgage and Housing Corporation for the year ended December 31 1958 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we have considered necessary in the circumstances.

In our opinion, proper books of account have been kept and the financial statements of the Corporation were prepared on a basis consistent with that of the preceding year and are in agreement with the books.

The transactions of the Corporation that have come under our notice have been, in our opinion, within the powers of the Corporation.

In our opinion, the attached financial statements are properly drawn up so as to give a true and fair view of the state of the Corporation's affairs as at December 31 1958 and of the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Corporation.



C.A.

of the firm
Glendinning, Campbell,
Jarrett & Dever



C.A.

of the firm
René de Cotret, Ferron,
Nobert & Cie

Ottawa, February 13, 1959.

Financial Statements . . .*December 31 1958*

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ASSETS

	1958	1957
Cash	\$ 5,490,791	\$ 5,368,642
Accounts receivable, less allowance of \$25,508 for bad and doubtful accounts	735,741	519,754
Expenditures recoverable from Provincial Governments under Federal-provincial Agreements	2,016,680	2,067,790
Due from the Minister of Public Works on current account	802,677	462,858
Loans under the Housing Acts, including \$4,124,515 interest accrued or receivable	776,019,409	454,455,572
Agreements for Sale and Mortgages arising from sales of properties, including \$405,385 accrued interest	103,198,093	101,848,267
Advances to Municipalities and others on deferred repayment terms, including \$32,258 accrued interest	4,538,622	3,693,915
Real Estate, including business premises — at cost or at values placed by the Board of Directors on properties acquired from the Government of Canada less \$18,212,103 accumulated depreciation	77,559,598	85,228,716
Corporation's share in the joint ownership of Real Estate under Federal-provincial Agreements	59,648,619	43,862,674
Office furniture and sundry equipment, less \$1,114,040 accumulated depreciation	464,965	519,084
Government bonds received as security deposits from contractors and others	1,571,000	800,700
Other assets	225,482	142,628
	<u>\$1,032,271,677</u>	<u>\$698,970,600</u>
Assets of the Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantee Funds	49,376,899	33,229,877
	<u>\$1,081,648,576</u>	<u>\$732,200,477</u>

Balance Sheet—December 31 1958

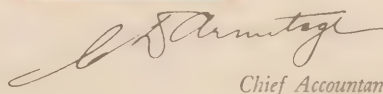
(with comparative figures for 1957)

LIABILITIES

	1958	1957
Accounts payable and accrued charges	\$ 2,711,288	\$ 2,987,290
Contractors' holdbacks, and deposits from contractors and others	8,923,935	9,087,508
Unearned fees, rentals, and payments received on sales of Real Estate in process of execution	1,079,813	983,752
Employees' Retirement Fund	89,049	79,670
Reserve for Purchase Guarantees	58,122	58,122
Due to the Minister of Public Works for profits (net) in respect of loans, guarantees and other commitments under the Housing Acts	18,538	(60,268)
Due to the Receiver General in respect of the excess in Reserve Fund over statutory limitation	7,994,993	5,751,277
Estimated income tax less instalments paid	1,520,621	669,337
Borrowings from the Government of Canada, evidenced by debentures of the Corporation:		
For lending under the Housing Acts, including \$6,590,625 accrued interest	750,500,667	435,636,702
For acquisition and construction of Real Estate under Federal-provincial Agreements, including \$889,527 accrued interest	66,803,798	44,616,693
For acquisition and construction of Real Estate, including \$1,484,435 accrued interest	98,476,124	102,373,551
Surplus arising from valuation of properties acquired from the Government of Canada	4,589,585	5,604,908
Unrealized profits on Real Estate sold on deferred payment terms	59,505,144	61,182,058
Capital, authorized and fully paid by the Government of Canada	25,000,000	25,000,000
Reserve Fund	5,000,000	5,000,000
	\$1,032,271,677	\$698,970,600
Reserves for Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantees	49,376,899	33,229,877
	\$1,081,648,576	\$732,200,477



President



Chief Accountant

Statement of Income and Expenditure

	Interest earned on loans under the Housing Acts
	Less: Interest on borrowings
	Property Rentals
	Less: Property Expenses —
	Interest on borrowings
	Repairs, maintenance and other expenses
	Payments to municipalities in lieu of taxes and for services
	Depreciation on real estate and sundry equipment
INCOME	Interest earned on Corporation's share in projects under Federal-provincial agreements
	Less: Interest on borrowings
	Interest earned on agreements for sale and mortgages
	Less: Interest on borrowings
	Application fees earned on insured mortgage loans
	Fees earned for services rendered to Government agencies
	Net profits realized on dispositions of real estate acquired by capital expenditure
	Miscellaneous
	Salaries
	Pension Fund, group and unemployment insurance and medical examinations
	Directors' fees and expenses
	Auditors' fees and expenses
	Legal fees and expenses
	Examination fees paid to Approved Lenders
	Fees to Approved Lenders re: Agency Loans
ADMINISTRATIVE	Information Services
EXPENDITURE	Office supplies and expenses
	Rental and expenses of administrative premises
	Telephone, telegraph and teletype
	Travel, moving expenses and use of employee-owned automobiles
	Interest allowed on sundry deposits
	Depreciation on business premises
	Depreciation on office furniture and sundry equipment
	Miscellaneous
NET	Income less expenditure for the year before Income Tax
INCOME	Deduct: Estimated Income Tax
	Transferred to Reserve Fund

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Balance, January 1	
Add:	
Net Income for the year	
Profits realized on sales of properties acquired from the Government of Canada.	
Deduct:	
Excess over statutory limitation — transferred to the credit of the Receiver General.	
Balance, December 31	

Loans under the Housing Acts for

Balances December 31 1957

	<u>Number of Loans Outstanding</u>	<u>Value</u>
<i>Joint Loans (Corporation's Share)</i>	130,821	\$224,679,000
<i>Uninsured Loans</i>		
Limited-dividend Housing Companies.	135	58,966,941
Mining, Lumbering, Logging and Fishing Industries.	14	3,216,115
Home Owners	5,734	37,499,100
Builders and Others, under Rental Guarantee Contracts	583	81,068,499
	<u>6,466</u>	<u>180,750,655</u>
<i>Insured Loans to Builders and Home Owners</i>		
By the Corporation	4,023	34,323,735
(Transferred from Agents)		
By Agents of the Corporation	2,607	13,458,631
(Transferred to the Corporation)		
	<u>6,630</u>	<u>47,782,366</u>
	<u>143,917</u>	<u>\$453,212,021</u>

Agreements for Sale and Mortgages arising from Sale

Balances December 31 1957

	<u>Number of Accounts Outstanding</u>	<u>Value</u>
<i>Agreements for Sale.</i>	23,044	\$ 64,180,488
(Converted to Mortgages)		
<i>Mortgages.</i>	8,559	37,261,216
(Converted from Agreements for Sale)		
	<u>31,603</u>	<u>\$101,441,704</u>

ended December 31 1958

(with comparative figures for 1957)

1958		1957	
	\$ 5,000,000		\$ 5,000,000
\$2,362,466		\$1,017,512	
<u>5,632,527</u>	7,994,993	<u>4,733,765</u>	5,751,277
	12,994,993		10,751,277
	7,994,993		5,751,277
	<u>\$ 5,000,000</u>		<u>\$ 5,000,000</u>

e year ended December 31 1958

Statement IV

Balances December 31 1958					
Number of New Loans	Advances and Other Charges during 1958	Number of Loans Paid in Full	Repayments during 1958	Number of Loans Outstanding	Value
		<u>4,649</u>	<u>\$17,208,611</u>	<u>126,172</u>	<u>\$207,470,389</u>
57	\$ 33,297,070	3	3,925,335	189	88,338,676
3	2,672,612		471,430	17	5,417,297
5	3,036,166	95	5,046,532	5,644	35,488,734
2	6,343,558	1	8,840,114	584	78,571,943
<u>67</u>	<u>45,349,406</u>	<u>99</u>	<u>18,283,411</u>	<u>6,434</u>	<u>207,816,650</u>
9,603	74,855,769	178	5,330,975	13,448	114,953,763
	11,105,234				
18,172	241,404,476	52	2,103,781	20,727	241,654,092
	(11,105,234)				
<u>27,775</u>	<u>316,260,245</u>	<u>230</u>	<u>7,434,756</u>	<u>34,175</u>	<u>356,607,855</u>
<u>27,842</u>	<u>\$361,609,651</u>	<u>4,978</u>	<u>\$42,926,778</u>	<u>166,781</u>	<u>771,894,894</u>
Interest Accrued or Receivable					4,124,515
					<u>\$776,019,409</u>

Properties for the year ended December 31 1958

Statement V

Balances December 31 1958					
Number of New Accounts	Sales, Transfers and Other Charges during 1958	Number of Accounts Paid in Full	Payments during 1958	Number of Accounts Outstanding	Value
(375)	\$ 6,233,241	770	\$11,273,818	21,899	\$ 57,939,823
	(1,200,088)				
1,066	12,714,808	174	6,323,227	9,826	44,852,885
375	1,200,088				
<u>1,066</u>	<u>\$18,948,049</u>	<u>944</u>	<u>\$17,597,045</u>	<u>31,725</u>	<u>102,792,708</u>
Accrued Interest					405,385
					<u>\$103,198,093</u>

Real Estate for the year

	<i>Balances December 31 1957</i>		<i>Additions and Transfers during 1958</i>	
	<i>Units</i>	<i>Amount</i>	<i>Units</i>	<i>Amount</i>
<i>Business Premises for Corporation Use</i>	<u>28</u>	<u>\$ 3,528,177</u>	<u>1</u>	<u>\$ 35,420</u>
<i>Rental Housing</i>				
<i>Warworkers' Houses</i>	557	541,532	2	992
<i>Servicemen's Housing</i>				
1947 and prior Programmes . . .	770	2,310,000		
1948 and 1949 Programmes				
Single Houses	10,015	71,390,492	157	1,319,773
Multiple Dwellings	623	5,369,008		
Housing acquired from Limited-dividend Housing Companies				
Single Houses	241	1,873,715	10	67,126
Multiple Dwellings	1,101	8,490,032		
Garages	232			
Housing at Pembroke, Gander, Renfrew and Sorel	441	6,024,193	64	424,740
	<u>13,980</u>	<u>95,998,972</u>	<u>233</u>	<u>1,812,631</u>
<i>Housing Acquired Under Guarantee Agreements</i>	<u>14</u>	<u>132,072</u>		
<i>Ajax Industrial Townsite</i>				
Rental Housing	161	723,780	(158)	(1,240,563)
Other Properties	67	1,757,972	(16)	(32,552)
	<u>228</u>	<u>2,481,752</u>	<u>(174)</u>	<u>(1,273,115)</u>
<i>Other Real Estate</i>				
Vacant Land		449,436		97,250
Miscellaneous	32	119,249	18	27,824
	<u>32</u>	<u>568,685</u>	<u>18</u>	<u>125,074</u>
	<u>14,282</u>	<u>\$102,709,658</u>	<u>78</u>	<u>\$ 700,010</u>

Corporation's Share in the Joint Ownership of Real Estate under

	<i>Balances December 31 1957</i>	<i>Additions and Transfers during 1958</i>
Rental Housing Projects	\$37,136,362	\$13,438,236
Land Assembly Projects	7,080,294	3,361,133
Expenditures under Preliminary Agreements	60,001	(60,001)
	<u>\$44,276,657</u>	<u>\$16,739,368</u>

ended December 31 1958

<i>Dispositions during 1958</i>		<i>Balances December 31 1958</i>			
<i>Units</i>	<i>Amount</i>	<i>Units</i>	<i>Amount</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>
2	\$ 19,590	27	\$ 3,544,007	\$ 605,394	\$ 2,938,613
20	4,860	539	537,664		537,664
175	525,000	595	1,785,000	638,145	1,146,855
840	5,743,253	9,332	66,967,012	12,426,394	54,540,618
		623	5,369,008	1,353,090	4,015,918
		251	1,940,841	503,117	1,437,724
		1,101 } 232 }	8,490,032	2,280,446	6,209,586
		505	6,448,933	363,201	6,085,732
1,035	6,273,113	13,178	91,538,490	17,564,393	73,974,097
7	66,484	7	65,588	8,803	56,785
3	(516,783)				
51	1,725,420				
54	1,208,637				
	54,418		492,268		492,268
10	15,725	40	131,348	33,513	97,835
10	70,143	40	623,616	33,513	590,103
1,108	\$7,637,967	13,252	\$95,771,701	\$18,212,103	\$77,559,598

Federal-Provincial Agreements for the year ended December 31 1958

<i>Dispositions during 1958</i>	<i>Balances December 31 1958</i>		
	<i>Amount</i>	<i>Accumulated Recovery of Investments</i>	<i>Net Book Value</i>
	\$50,574,598	\$595,846	\$49,978,752
\$771,560	9,669,867		9,669,867
\$771,560	\$60,244,465	\$595,846	\$59,648,619

Assets of the Mortgage Insurance, Home Improvement Loan

	<i>Mortgage Insurance Fund</i>	
	1957	1958
Cash	\$ 375,722	\$ 213,171
Securities issued or guaranteed by the Government of Canada, at amortized cost	29,561,620	44,690,065
Approximate market values —		
Mortgage Insurance Fund	\$41,085,900	
Home Improvement Loan Insurance Fund	1,123,700	
Rental Guarantee Fund	2,193,300	
	<u>\$44,402,900</u>	
Accrued interest on securities	387,574	672,790
Mortgages	29,860	91,685
Accrued interest on mortgages	495	1,966
Real Estate	9,612	11,089
	<u>\$30,364,883</u>	<u>\$45,680,766</u>

Reserves for Mortgage Insurance, Home Improvement Loan Insurance

	<i>Reserve for Mortgage Insurance</i>		
	<i>Total to December 31 1957</i>	<i>Year 1958</i>	<i>Total to December 31 1958</i>
Fees and premiums received	\$28,745,757	\$13,816,071	\$42,561,828
Net income from securities	1,614,285	1,448,158	3,062,443
Interest earned on mortgages	1,049	3,407	4,456
Rentals earned on real estate		64	64
Recoveries on claims paid			
Real estate acquired on claims paid	38,185	62,130	100,315
Profit on sales of real estate	3,792	7,496	11,288
Profit on sales of securities		40,687	40,687
	<u>30,403,068</u>	<u>15,378,013</u>	<u>45,781,081</u>
Deduct:			
Claims paid and legal expenses	38,185	62,130	100,315
Loss on sale of securities			
	<u>38,185</u>	<u>62,130</u>	<u>100,315</u>
	<u>\$30,364,883</u>	<u>\$15,315,883</u>	<u>\$45,680,766</u>
Mortgage insurance in force — approximately	\$2,100,000,000		
Amount insured in respect of Home Improvement Loans — approximately	\$ 6,216,000		
Current year's rentals covered by Rental Guarantee contracts — approximately	\$ 15,000,000		

Insurance and Rental Guarantee Funds, December 31 1958

(with comparative figures for 1957)

<i>Home Improvement Loan Insurance Fund</i>		<i>Rental Guarantee Fund</i>		<i>Totals</i>	
<u>1957</u>	<u>1958</u>	<u>1957</u>	<u>1958</u>	<u>1957</u>	<u>1958</u>
\$ 6,514	\$ 15,441	\$ 48,235	\$ 5,019	\$ 430,471	\$ 233,631
845,219	1,201,483	1,936,488	2,419,809	32,343,327	48,311,357
11,184	18,982	17,354	35,399	416,112	727,171
				29,860	91,685
				495	1,966
				9,612	11,089
<u>\$862,917</u>	<u>\$1,235,906</u>	<u>\$2,002,077</u>	<u>\$2,460,227</u>	<u>\$33,229,877</u>	<u>\$49,376,899</u>

and Rental Guarantees for the year ended December 31 1958

<i>Reserve for Home Improvement Loan Insurance</i>			<i>Reserve for Rental Guarantees</i>			<i>Totals</i>
<i>Total to December 31 1957</i>	<i>Year 1958</i>	<i>Total to December 31 1958</i>	<i>Total to December 31 1957</i>	<i>Year 1958</i>	<i>Total to December 31 1958</i>	<i>December 31 1958</i>
\$871,251	\$396,551	\$1,267,802	\$2,411,394	\$371,342	\$2,782,736	\$46,612,366
42,261	42,411	84,672	204,909	81,985	286,894	3,434,009
						4,456
						64
1,728	2,908	4,636				4,636
						100,315
						11,288
	1,873	1,873		1,662	1,662	44,222
<u>915,240</u>	<u>443,743</u>	<u>1,358,983</u>	<u>2,616,303</u>	<u>454,989</u>	<u>3,071,292</u>	<u>50,211,356</u>
52,323	70,754	123,077	612,326	(3,161)	609,165	832,557
			1,900		1,900	1,900
<u>52,323</u>	<u>70,754</u>	<u>123,077</u>	<u>614,226</u>	<u>(3,161)</u>	<u>611,065</u>	<u>834,457</u>
<u>\$862,917</u>	<u>\$372,989</u>	<u>\$1,235,906</u>	<u>\$2,002,077</u>	<u>\$458,150</u>	<u>\$2,460,227</u>	<u>\$49,376,899</u>

ASSETS

Accounts Receivable

Instalment balances due from local housing authorities on Corporation's share of investment in Federal-Provincial housing projects, rentals due from housing tenants and sundry accounts owing by Government and municipal agencies and others. Increase over 1957 arises from increased amounts owing by housing authorities operating Federal-Provincial rental housing projects, from contractors' holdbacks recoverable from Atomic Energy of Canada Limited for houses constructed on agency account and from the Minister of National Defence for completion of projects at Campagetown, New Brunswick.

Expenditures Recoverable from Provincial Governments under Federal-Provincial Agreements

Provincial share of the cost of land assembly and rental housing projects currently recoverable from Provincial Governments.

Due from the Minister of Public Works on Current Account

Remainder of expenses recoverable for (a) research, investigations, planning and information service; (b) fees and expenses for supervision of construction of married quarters and schools for the Department of National Defence; (c) other sundry items.

Loans under the Housing Acts

Loans administered by the Corporation or by approved lenders as agents of the Corporation, and accountable advances on agency loans.

Advances to Municipalities and Others on Deferred Repayment Terms

Balances recoverable for financing the cost of ground services under agreements made with municipalities solely by the Corporation or jointly with Provincial Governments.

Corporation's Share in the Joint Ownership of Real Estate under Federal-Provincial Agreements

Comprises 75% of the unrecovered cost of rental housing projects and unsold lots in land assembly projects. Investment in rental housing projects is recoverable by annual instalments from local housing authorities, and cost of land assembly projects is recoverable from proceeds of lot sales.

Government Bonds Received as Security Deposits from Contractors and Others

These include bonds lodged in connection with construction contracts, investment of monies deposited by rental guarantee mortgagors to cover the cost of replacing equipment and sundry other guarantees.

Other Assets

Accountable advances to employees, inventories of cafeteria foodstuffs at major offices and special projects, fuel and maintenance stores, prepaid portion of grants in lieu of taxes to municipalities and prepaid group and other insurance premiums.

LIABILITIES

Accounts Payable and Accrued Charges

Unpaid progress estimates owing to contractors, accounts owing or accrued for operating purposes, interest accrued on security deposits received from contractors, balances owing to municipalities in connection with house sales and to Provincial Governments under Federal-Provincial agreements.

Contractors' Holdbacks and Deposits from Contractors and Others

Deposits from contractors to guarantee satisfactory completion of work, deposits from borrowers holding rental guarantee contracts to be used for repairs and replacements, payments withheld under terms of contracts for work performed, prepayments of rental guarantee premiums and security deposits from tenants.

Employees' Retirement Fund

Deposits received from employees not eligible for admission to the Pension Fund. A Pension Fund established under authority of the CMHC Act and vested in trustees is not reflected in these statements.

Reserve for Purchase Guarantees

Premiums collected from builders of Defence Workers' housing projects in return for guarantees to purchase houses unsold by them. There were 26 houses acquired, of which 19 have been sold without loss. The remaining 7 units are still in possession and are being rented.

Due to the Minister of Public Works for Profits (net) in respect of Loans, Guarantees and Other Commitments under the Housing Acts

- (a) Operating profits less losses on Corporation's share in Federal-Provincial projects. In 1957, net losses in this account were \$71,000 but in 1958 net profits of \$17,000 were realized.
- (b) Profits less losses on disposal of properties acquired by foreclosure of joint loans and Corporation uninsured loans, and of properties acquired under guarantee to builders.

Borrowings from the Government of Canada

	Amount Borrowed in 1958	Amount Repaid in 1958
Borrowings for lending under the Housing Acts (\$ million)	343.5	30.0
Borrowings for acquisition and construction of real estate under Federal-Provincial agreements (\$ million)	23.5	1.5
Borrowings for acquisition and construction of real estate (\$ million)	1.5	5.0

Surplus Arising from Valuation of Properties Acquired from the Government of Canada

Capitalized value of remaining real estate acquired without cost from Wartime Housing Limited in 1948, and of housing projects at Renfrew and Sorel transferred from the Department of Defence Production in the latter part of 1957.

Unrealized Profits on Real Estate Sold on Deferred Payment Terms

Each year a proportionate amount of these unrealized profits based on the recoveries of principal to the sale price of real estate is treated as earned or realized. Such realizations are credited to Reserve Fund when arising from sales of real estate acquired by the Corporation without cost, and to the income account when arising from sales of real estate acquired by capital expenditure.

INCOME

The continued increase in lending activity throughout 1958 resulting in net loan advances of \$319,000,000 after application of repayments in the amount of \$43,000,000 has brought about an increase in interest earned over 1957 of \$10,600,000. The same situation has been responsible for a net increase of \$313,000,000 in borrowings to finance new loans with increased interest charges of \$7,384,000 over 1957.

During 1958, 1,108 housing units were disposed of while only 78 new ones were acquired. Rental revenue has declined therefore by \$478,000.

The earned portion of application fees for insured loans both through approved lenders and on direct account provided additional income over the previous year totalling \$1,548,000.

The decline by approximately \$109,000 in miscellaneous income results from the complete disposal before 1958 of all holdings of Treasury Bills, funds being no longer available for investment in this type of security.

ADMINISTRATIVE EXPENDITURE

Administrative expenditures were \$2,682,000 higher in 1958 than in 1957. It should be noted that this increase is principally attributable to payments of more than \$2,053,000 made to approved lenders for processing agency loans. Payments made for this purpose in 1957 were negligible in comparison. The intense lending activity in 1958 also resulted in an increase of \$67,000 in fees paid to approved lenders for their services in making progress advance examinations.

Increased activity in the dissemination of information and a broadening of the field covered by this service has resulted in a rise in cost over 1957 of more than \$42,000.

The greater volume of lending activity in 1958 has been responsible for an increase in expenditures to cover the cost of stationery and other office supplies and expenses amounting to approximately \$123,000.

An increase of approximately \$70,000 in the cost of travel and moving expenses of employees was caused in part by transfer of personnel to other locations during an administrative reorganization which took place in 1958 and also by the sharp increase in lending volume in the same period.

Miscellaneous expense has decreased by \$26,000 mainly because of a decrease in expenditures for special management advisory service commenced in 1957 and completed early in 1958.



STATISTICS

Tables

- 1 Housing Units Started and Completed, 1935-1958.
- 2 Housing Units Started and Completed, by Province, 1958.
- 3 Housing Units Started, and Mortgage Loans Approved Under the Housing Acts, by Locality, 1958.
- 4 Mortgage Loans Approved Under the Housing Acts, by Province, 1958.
- 5 Home Improvement Loans Approved, by Province, 1958.
- 6 Mortgage Loans Approved Under the Housing Acts, 1935-1958.
- 7 Federal-Provincial Projects Under the Housing Acts, 1950-1958.
- 8 Housing Units Under Rental and Sold, 1947-1958.
- 9 Expenditures on Housing Research and Community Planning, 1946-1958.
- 10 Summary of Construction Activities of Central Mortgage and Housing Corporation, by Programme, 1958.

Housing units started and completed (1), 1935-1958

TABLE 1

Year	Housing Units Started			Housing Units Completed		
	Total	Under the Housing Acts	Other	Total	Under the Housing Acts	Other
1935	33,900	72	33,828	31,800	—	31,800
1936	41,000	729	40,271	38,000	570	37,430
1937	45,100	1,797	43,303	46,900	2,118	44,782
1938	43,900	3,643	40,257	41,400	2,313	39,087
1939	48,900	5,947	42,953	48,800	4,669	44,131
1940	52,600	5,738	46,862	49,000	6,816	42,184
1941	51,200	4,466	46,734	53,200	4,573	48,627
1942	40,000	1,120	38,880	42,800	3,195	39,605
1943	36,100	1,731	34,369	32,700	1,064	31,636
1944	41,500	1,466	40,034	36,500	1,637	34,863
1945	55,181	4,737	50,444	42,488	5,094	37,394
1946	64,355	11,520	52,835	60,454	4,817	55,637
1947	74,263	10,190	64,073	72,218	10,970	61,248
1948	90,194	26,233	63,961	76,097	20,768	55,329
1949	90,509	29,250	61,259	88,233	29,176	59,057
1950	92,531	43,521	49,010	89,015	36,397	52,618
1951	68,579	21,439	47,140	81,310	38,781	42,529
1952	83,246	34,400	48,846	73,087	20,633	52,454
1953	102,409	39,989	62,420	96,839	35,506	61,333
1954	113,527	50,373	63,154	101,965	39,137	62,828
1955	138,276	65,377	72,899	127,929	58,852	69,077
1956	127,311	43,395	83,916	135,700	61,957	73,743
1957	122,340	47,468	74,872	117,283	33,301	83,982
1958	164,632	81,950	82,682	146,686	69,039	77,647
TOTAL	1,821,553	536,551	1,285,002	1,730,404	491,383	1,239,021

Housing units started and completed (1), by province, 1958

TABLE 2

Province	Housing Units Started			Housing Units Completed		
	Total	Under the Housing Act	Other	Total	Under the Housing Act	Other
Newfoundland.	1,309	544	765	1,205	259	946
Prince Edward Island. . .	227	41	186	109	17	92
Nova Scotia.	2,746	959	1,787	2,320	646	1,674
New Brunswick.	2,718	968	1,750	3,237	743	2,494
Quebec.	46,324	14,424	31,900	39,750	10,994	28,756
Ontario.	63,753	41,103	22,650	59,551	37,907	21,644
Manitoba.	6,502	3,793	2,709	5,743	2,472	3,271
Saskatchewan.	5,222	2,453	2,769	4,979	2,289	2,690
Alberta.	16,532	10,008	6,524	13,562	7,619	5,943
British Columbia.	19,299	7,657	11,642	16,230	6,093	10,137
CANADA	164,632	81,950	82,682	146,686	69,039	77,647

(1) Excluding the Northwest and Yukon Territories.

**Housing units started, and mortgage loans approved
under the Housing Acts, by locality (1), 1958**

TABLE 3

Locality	Population (000)	Starts	C.M.H.C.		Approved Lenders		Total	
			Units	Amount (\$000)	Units	Amount (\$000)	Units	Amount (\$000)
Metropolitan Areas								
Calgary.	255	5,655	1,571	16,535	2,782	32,929	4,353	49,464
Edmonton	310	5,805	2,727	29,683	1,822	21,511	4,549	51,194
Halifax	171	1,345	53	592	274	2,402	327	2,999
Hamilton	332	4,092	1,068	12,082	1,499	17,958	2,567	30,040
London	162	2,544	855	8,849	905	9,848	1,760	18,697
Montreal	1,972	26,198	3,129	27,163	3,792	36,551	6,921	63,714
Ottawa-Hull.	373	5,732	1,207	12,552	2,869	33,161	4,076	45,713
Quebec	330	2,367	567	5,744	758	8,047	1,325	13,791
Saint John	86	361	94	877	167	1,714	261	2,591
St. John's	85	503	115	1,421	73	905	188	2,326
Toronto.	1,429	24,301	6,658	65,574	10,383	113,969	17,041	179,543
Vancouver.	717	12,299	2,612	27,573	2,900	33,992	5,512	61,565
Victoria.	133	1,508	253	2,224	537	6,297	790	8,521
Windsor	192	1,122	204	2,432	397	4,766	601	7,198
Winnipeg	427	4,422	1,682	16,279	1,534	15,929	3,216	32,208
Sub-Total	6,974	98,254	22,795	229,580	30,692	339,979	53,487	569,559
Major Urban Areas								
Brantford	59	255	53	559	136	1,550	189	2,109
Chicoutimi-Jonquière.	103	757	276	2,947	158	1,687	434	4,634
Ft. William-Rt. Arthur	92	1,123	505	4,697	327	3,708	832	8,405
Guelph	39	554	200	1,959	238	2,306	438	4,265
Kingston	62	622	279	2,718	206	2,456	485	5,174
Kitchener	104	1,180	457	4,697	467	5,367	924	10,064
Moncton.	57	408	137	1,280	238	2,364	375	3,644
Niagara Falls.	54	590	277	3,027	186	2,097	463	5,124
Oshawa.	89	1,644	1,082	11,774	398	4,457	1,480	16,231
Peterborough.	60	553	207	2,242	273	3,027	480	5,269
Regina	101	1,156	176	1,929	675	7,858	851	9,787
St. Catharines	100	788	185	2,108	330	3,868	515	5,976
Sarnia.	63	629	118	1,324	278	3,255	396	4,579
Saskatoon	82	1,481	359	3,743	588	6,542	947	10,285
Sault Ste. Marie	57	711	204	2,359	176	2,029	380	4,388
Shawinigan Falls	62	280	31	327	27	297	58	624
Sherbrooke.	72	330	31	337	87	971	118	1,308
Sudbury.	99	676	230	2,732	155	1,855	385	4,587
Sydney	90	283	3	28	20	239	23	267
Timmins.	40	57	14	169	14	171	28	340
Trois-Rivières	95	587	109	1,060	45	450	154	1,510
Sub-Total	1,580	14,664	4,933	52,016	5,022	56,554	9,955	108,570
Other Localities	8,461	51,714	8,717	91,217	9,996	113,400	18,713	204,617
CANADA.	17,015	164,632	36,445	372,813	45,710	509,933	82,155	882,746

(1) Excluding the Northwest and Yukon Territories.

Mortgage loans approved under the Housing Acts, by province, 1958

TABLE 4

Province	C.M.H.C.		Approved Lenders		Total	
	Units	Amount (\$000)	Units	Amount (\$000)	Units	Amount (\$000)
Newfoundland	219	2,525	95	1,166	314	3,691
Prince Edward Island	15	126	25	266	40	392
Nova Scotia	272	2,916	700	7,223	972	10,139
New Brunswick	367	3,314	605	6,062	972	9,376
Quebec	7,057	67,828	7,210	74,758	14,267	142,586
Ontario	17,216	180,167	23,994	271,034	41,210	451,201
Manitoba	1,912	18,377	1,907	19,734	3,819	38,111
Saskatchewan	751	7,687	1,758	19,614	2,509	27,301
Alberta	5,258	55,521	5,240	61,242	10,498	116,763
British Columbia	3,378	34,352	4,176	48,834	7,554	83,186
Northwest Territories	7	90	6	78	13	168
Yukon Territory	1	10	-	-	1	10
CANADA	36,453	372,913	45,716	510,011	82,169	882,924

Home improvement loans approved, by province, 1958

TABLE 5

Province	Number of Loans	Number of Additional Housing Units	Amount (\$000)
Newfoundland	660	14	846
Prince Edward Island	62	10	58
Nova Scotia	2,752	91	2,327
New Brunswick	657	46	719
Quebec	2,842	193	4,506
Ontario	15,060	477	13,152
Manitoba	1,641	26	1,681
Saskatchewan	1,667	44	1,828
Alberta	3,654	151	4,610
British Columbia	8,112	220	9,864
Northwest Territories	18	1	33
Yukon Territory	7	-	11
CANADA	37,132	1,273	39,635

Mortgage loans approved under the Housing Acts, 1935-1958

TABLE 6

<i>Housing Act and Period</i>	<i>Number of Loans</i>	<i>Number of Housing Units</i>	<i>Amount (\$000)</i>
Dominion Housing Act, 1935:			
1935 (October 1-December 31) . . .	73	97	514
1936	550	788	3,778
1937	1,311	1,817	7,524
1938 (January 1-July 31).	1,149	2,197	7,803
Sub-Total	3,083	4,899	19,619
National Housing Act, 1938:			
1938 (August 1-December 31) . . .	1,198	1,697	6,037
1939	4,315	5,973	19,142
1940	4,897	5,621	16,721
1941	4,370	4,323	13,508
1942	1,138	1,093	3,170
1943	1,721	1,721	5,454
1944	1,393	1,393	4,855
1945	-407	-407	-1,368
Sub-Total	18,625	21,414	67,519
National Housing Act, 1944:			
1945 (February 1-December 31). . .	4,838	5,387	22,511
1946	7,341	11,827	55,951
1947	8,886	10,933	53,230
1948	15,313	18,776	104,291
1949	18,047	25,166	140,830
1950	33,934	42,280	284,487
1951	14,916	19,283	123,621
1952	23,718	34,323	249,084
1953	26,514	38,648	290,823
1954	4,629	7,603	56,313
1955	6	-97	-1,848
1956	52	80	188
1957	-3	-3	-50
Sub-Total	158,191	214,206	1,379,431
National Housing Act, 1954:			
1954 (March 22-December 31) . . .	34,946	42,516	397,197
1955	56,143	65,433	617,160
1956	35,742	41,203	406,944
1957	39,977	48,936	494,004
1958	65,515	82,169	882,924
Sub-Total	232,323	280,257	2,798,229
TOTAL	412,222	520,776	4,264,798

Federal-Provincial projects under the Housing Acts, 1950-1958

Year and Province	LAND ASSEMBLY					RENTAL HOUSING UNITS(1)			
	Area Authorized (acres)	Expenditures, Land and Improvements (\$000)	Number of Lots			Expenditures (\$000)	Authorized	Completed	Under Construction as at Dec. 31
			Authorized	Developed	Sold				
1950	825.0	279	1,768	—	—	517	340	—	140
1951	607.7	896	2,974	135	98	1,329	1,495	140	191
1952	1,198.4	1,591	5,950	1,093	486	9,447	732	426	1,192
1953	1,822.4	1,834	1,086	922	930	11,752	378	1,518	580
1954	6,616.3	4,159	1,521	1,880	920	6,297	1,495	695	167
1955	336.0	1,439	175	440	738	3,330	968	197	92
1956	—236.9	2,067	—228	839	1,038	4,695	520	141	995
1957	320.2	2,877	1,850	991	898	15,963	1,202	658	1,579
Sub-Total	11,489.1	15,142	15,096	6,300	5,108	53,330	7,130	3,775	—
1958	76.8	5,895	12	1,003	1,053	19,421	1,073	1,812(1)	1,353(2)
Newfoundland	—	—	—	—	13	1,342	—9	—	192
Prince Edward Island	—	—	—	—	—	—	—	—	—
Nova Scotia	—	—	—	—	—	704	351	—	—
New Brunswick	—	—	—	—	—	833	—	100	—
Quebec	—	—	—	—	—	743	—4	—	674
Ontario	—0.6	4,975	—103	568	708	14,738	735	1,650(1)	332(2)
Manitoba	—	—	—	—	—	—	—	—	—
Saskatchewan	30.0	213	116	255	234	220	—	50	—
Alberta	—	—	—	—	—	—	—	—	—
British Columbia	47.4	707	—1	180	98	841	—	12	155
TOTAL	11,565.9	21,037	15,108	7,303	6,161	72,751	8,203	5,587	—

(1) Includes 100 housing units moved from a Corporation to a Federal-Provincial Project in Hamilton.

(2) Includes 4 houses, started in 1957, being moved from a Corporation to a Federal-Provincial Project in Hamilton.

TABLE 7

Housing units under rental and sold, 1947-1958

TABLE 8

Year and Province	Number of Housing Units			
	Under Rental as at January 1	Acquired ⁽¹⁾	Sold ⁽²⁾	Under Rental as at December 31
1947	28,694	8,268	1,923	35,039
1948	35,039	7,498	5,422	37,115
1949	37,115	7,886	3,653	41,348
1950	41,348	4,464	7,156	38,656
1951	38,656	721	14,602	24,775
1952	24,775	301	5,432	19,644
1953	19,644	441	1,789	18,296
1954	18,296	69	723	17,642
1955	17,642	86	1,154	16,574
1956	16,574	104	1,574	15,104
1957	15,104	178	1,591	13,691
1958	13,691	84	1,189 ⁽³⁾	12,586
Newfoundland	332	61	1	392
Prince Edward Island	29	—	4	25
Nova Scotia	390	—	8	382
New Brunswick	668	—	2	666
Quebec	1,892	6	10	1,888
Ontario	4,516	15	402 ⁽³⁾	4,129
Manitoba	1,389	—	217	1,172
Saskatchewan	815	1	141	675
Alberta	1,044	1	239	806
British Columbia	2,616	—	165	2,451

(1) Includes units acquired under guarantee to builders, units acquired from Housing Enterprises of Canada Ltd., from Atomic Energy Commission (now Atomic Energy of Canada Limited), repossessions and cancelled sales, in addition to units built for rental.

(2) Includes Home Conversion Plan units returned to owners, and the Deep River Project returned to Atomic Energy Commission (now Atomic Energy of Canada Limited).

(3) Includes 23 housing units moved from a Corporation to a Federal-Provincial Project in Hamilton.

Expenditures on housing research and community planning, 1946-1958

TABLE 9

Type of Expenditure	1946-1953 \$	1954 \$	1955 \$	1956 \$	1957 \$	1958 \$	1946-1958 \$
<i>Central Mortgage and Housing Corporation</i>							
Economic and Related Research	701,459	155,789	171,749	190,185	204,095	181,917	1,605,194
Architectural Investigations . .	282,122	70,690	59,324	130,487	135,310	113,049	790,982
Technical Investigations . . .	3,674	252	— 20	75,187	102,510	108,277	289,880
Community Planning	88,680	12,514	16,158	18,591	13,956	16,801	166,700
Other Housing Investigations .	80,136	24,011	36,539	29,962	31,316	33,907	235,871
Information Services	239,983	94,694	64,038	54,870	43,945	143,015	640,545
Sub-Total	1,396,054	357,950	347,788	499,282	531,132	596,966	3,729,172
<i>Grants to Other Government Departments and Institutions</i>							
Economic and Related Research	144,758	10,726	10,794	8,740	11,326	11,302	197,646
Architectural Investigations . .	54,522	9,791	6,450	18,380	18,867	20,000	128,010
Technical Investigations . . .	1,500	3,027	—	—	—	—	4,527
Community Planning	635,146	111,779	124,497	161,742	164,872	195,615	1,393,651
Other Housing Investigations .	118,587	4,600	—	6,300	32,887	25,819	188,193
Information Services	932	—	—	—	—	—	932
Sub-Total	955,445	139,923	141,741	195,162	227,952	252,736	1,912,959
TOTAL	2,351,499	497,873	489,529	694,444	759,084	849,702	5,642,131

TABLE 10

Summary of construction activities of Central Mortgage and Housing Corporation, by programme, 1958

Programme	Number of Housing Units			Number of School Rooms			Number of Residential Lots			Expenditures (\$000)				
	Started	Completed	Under Construction as at 31 December 1958	Started	Completed	Under Construction as at 31 December 1958	In Projects Started	In Projects Completed	In Projects Underway as at 31 December 1958	Housing	Land and Improvements	Schools	Other	Total
<i>Corporation Construction</i>														
Federal-Provincial Projects ⁽¹⁾ . . .	1,586	1,812	1,353	—	—	—	765	1,003	7,355	19,421	5,895	—	—	25,316
Rental Housing (Gander)	50	60	50	—	—	—	—	—	—	430	37	—	—	467
Rental Housing (Pembroke, Montreal North and Fredericton)	—	—	—	—	—	—	—	—	—	48	35	—	—	83
Office Premises	—	—	—	—	—	—	—	—	—	—	22	—	1	23
<i>Construction for Other Departments and Agencies</i>														
Atomic Energy of Canada Ltd. . . .	—	102	—	—	—	—	—	—	—	922	56	—	—	978
Department of National Defence. .	1,651	1,638	1,297	123	97	216	—	—	—	13,569	3,234	1,697	298	18,798
Department of Public Works. . . .	—	—	—	—	—	—	—	—	—	57	5	—	—	62

(1) Includes 100 completions and 4 houses under construction, for houses moved from a Corporation to a Federal-Provincial project in Hamilton.

PUBLICATIONS

Reports

CANADIAN HOUSING STATISTICS – A quarterly report providing statistical information on the housing situation.

Financing

NHA LOANS FOR HOMES – A leaflet explaining the insured loan provisions for home ownership under the National Housing Act.

NHA HOME-OWNER LOANS BY CMHC – A leaflet outlining loans available for home ownership through CMHC when NHA loans are not available from approved lenders.

NHA INSURED LOANS FOR RENTAL HOUSING – A leaflet outlining the financing of rental housing under the National Housing Act.

NHA LIMITED-DIVIDEND LOANS – A leaflet outlining loans available under the National Housing Act to assist in the construction of low-rental housing projects.

NHA CO-OPERATIVE HOUSING LOANS – A leaflet explaining loans made under the National Housing Act to building co-operatives.

NHA HOME CONVERSION LOANS – A leaflet explaining loans available under the National Housing Act for alterations which add one or more family housing units to existing residential structures.

NHA FEDERAL-PROVINCIAL PROJECTS – A leaflet outlining the provisions of the National Housing Act for land assembly and housing construction undertaken jointly by Federal-Provincial partnerships.

NHA HOME IMPROVEMENT LOANS – A leaflet explaining the terms of NHA loans for home improvement and repairs.

SMALL HOUSE DESIGNS – A catalogue of house designs for which working drawings may be purchased from Central Mortgage and Housing Corporation local offices at nominal cost.

Design of Housing

CHOOSING A HOUSE DESIGN – An illustrated book outlining to prospective home owners considerations on choice of neighborhood, lot and type of house.

PRINCIPLES OF SMALL HOUSE GROUPING – An illustrated guide for house builders showing how housing groups may be arranged to obtain the best effects.

NHA – A MINIMUM HOUSE – A leaflet describing the specifications of a minimum house designed for rural areas without municipal services, which can be built with financial assistance under the National Housing Act.

Construction

HOUSING STANDARDS – A book of minimum building standards prepared by the Division of Building Research, National Research Council, and prescribed by Central Mortgage and Housing Corporation for houses built under the National Housing Act.

APARTMENT BUILDING STANDARDS – A book setting out the minimum requirements for planning, construction and materials for apartment buildings upon which loans are made under the National Housing Act.

DICTIONARY OF HOUSE-BUILDING TERMS – Definitions of words describing methods and materials generally employed in the house-building industry.

GOOD BUILDING PRACTICE – A Guide to Nailing – A booklet of nailing diagrams offered as a guide to sound wood framing for house construction.

NHA – WHAT YOU SHOULD KNOW ABOUT THE INSPECTION OF YOUR HOUSE – A leaflet explaining the extent and the limitations of compliance inspections on NHA financed housing.

General

HABITAT – A bi-monthly magazine published by the Corporation containing articles on various aspects of housing.

NHA HOUSING FOR THE ELDERLY – A booklet outlining the way in which NHA limited-dividend loans may be used to provide accommodation for old people.

A LOT TO BE PROUD OF – A booklet explaining proper maintenance of lawns, trees, and shrubs.

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Ottawa

**Member of the Executive Committee*

***Alternate Member of the Executive Committee*

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CENTRAL MORTGAGE AND HOUSING CORPORATION OTTAWA, CANADA

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CENTRAL MORTGAGE AND HOUSING CORPORATION

ANNUAL REPORT

1959



ANNUAL REPORT 1959

CENTRAL MORTGAGE AND HOUSING CORPORATION

1959 In Brief Outline

- ◆ Construction was completed on 145,671 dwellings, a volume almost equal to the record of 146,686 established in 1958.
- ◆ The number of new housing starts at 141,345 was also the second highest on record, surpassed only by the 164,632 units started in 1958.
- ◆ Construction on 81,905 houses was carried over into 1960.
- ◆ Expenditures on new residential construction amounted to \$1,758 million compared with \$1,782 million in 1958, a decline of 1.3%.
- ◆ Financing under the National Housing Act (from approved lenders and the Government) accounted for 44% of the dwellings started in 1959.
- ◆ Public funds exceeded approved lender funds committed under the Act as the Corporation made loans for \$343.2 million for 32,228 dwellings compared with commitments of \$283.0 million for 25,082 units by approved lenders.
- ◆ In December the maximum interest rate payable by borrowers on insured loans was raised to 6¾ % from 6%.
- ◆ Loans were approved by the Corporation to limited-dividend housing companies for 4,518 low-rental dwellings in the amount of \$35.5 million and 772 dwellings were approved for Federal-Provincial projects.
- ◆ Federal grants were approved to assist ten municipalities in conducting studies of urban conditions and blight. Federal grants were also approved to provide financial assistance to three municipalities undertaking urban redevelopment.
- ◆ Amendments to the National Housing Act in March increased by \$250 million to \$1 billion the total funds that may be advanced by the Minister to the Corporation for lending purposes; authorized the Corporation to administer insured loans; and increased the amount of the insurance settlement.

Central Mortgage and Housing Corporation

Central Mortgage and Housing Corporation is a Federal Crown corporation incorporated by Act of Parliament in 1945 (R.S.C. 1952, c.46). Under this Act, the National Housing Act, 1954, and earlier Housing Acts, the Corporation is empowered to:

Insure mortgage loans on new housing made by banks, life insurance, trust and loan companies, and other approved lenders;

Make mortgage loans to borrowers unable to obtain insured loans from private NHA lenders and make mortgage loans to limited-dividend housing companies on low-rental housing projects;

Provide insurance to banks on loans made for home improvement and guarantee returns from moderate-rental housing projects built by life insurance companies and private investors;

Buy and sell insured mortgage loans, make loans to mortgage lenders on the security of mortgages and purchase the debentures of lending institutions;

Participate with provincial governments in the development of serviced land for residential purposes and in the construction of housing projects and, on behalf of the Federal Government, join with municipalities in the acquisition and clearance of areas for urban redevelopment;

Construct, own, and manage housing projects on its own account and on behalf of Federal Government departments and agencies;

Encourage the development of better housing and sound community planning and, in carrying out this responsibility, to undertake or arrange for studies and research on the technical, economic and social aspects of housing.

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Central Mortgage and Housing Corporation

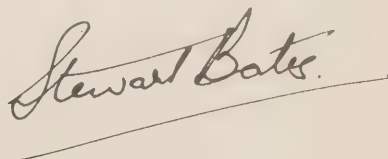
March 10, 1960

Honourable David J. Walker,
Minister of Public Works,
Ottawa, Canada.

Dear Mr. Walker:

On behalf of the Board of Directors, I
have the honour to submit to you the 14th annual
report of Central Mortgage and Housing Corporation
and a statement of accounts for the year ended
December 31, 1959.

Yours very truly,

A handwritten signature in cursive script that reads "Stewart Bates". The signature is written in dark ink and is positioned above a horizontal line.

President.



A DECADE IN MORTGAGE FINANCING

In the decade just ended, great strides were made in housing in Canada.

Total housing stock, in numbers of occupied units, increased by about 1.0 million and the number of families sharing accommodation dropped by some 75,000 from 325,000 in 1950 to an estimated 250,000 at the end of 1959. Moreover, while census data are not yet available to indicate the extent of the change, there has undoubtedly been a substantial reduction in the number of occupied dwellings that must be considered substandard for reasons of structural inadequacy, blight and lack of amenities. The reduction would stem from major improvements and repairs to the existing stock of housing and the destruction, loss and abandonment of older dwellings.

Single-family houses made up 70% of the new units completed in Canada during the 'fifties'. This predominance of building for home ownership has reflected the rapidly growing number of larger families, the comparatively favourable terms of borrowing for home ownership under the National Housing Act, and the wider accessibility of land on the urban fringes made possible by the increased use of the automobile. The progressive urbanization of the population, however, appears to have set some limits to the relative incidence of home ownership, as the proportion of new housing in the form of single-family houses has been declining throughout the decade. Single-family houses made up three-quarters of all new completions in the first three years of the decade and only two-thirds in the last three.

Improvement in the physical housing standards of Canadians during the 'fifties' reflects the achievement of a rate of new house building above the minimum necessary to meet the needs arising from year to year out of the growth and movement of the population. The maintenance of this rate of building opens the way to continuing rapid improvements in general housing conditions.

At the beginning of the past decade, there was some question about the existence of effective demand for new housing to achieve a rate of output that would do anything more than keep abreast of accumulating needs. During the 1950's, concern about the level of new housing demand gave way to doubts about the capacity of the private capital market in Canada to accommodate demand adequately. The supply of mortgage money and not the strength of demand frequently seemed to be setting the immediate limit on new house building during the decade.

The nature of the situation is illustrated by the two major developments in Government housing policy during the 'fifties' — the entry of Canada's commercial banks as mortgage lenders under the National Housing Act, 1954 and assumption by the Federal Government of a major mortgage lending role during the past 28 months.

Most new housing in Canada is mortgage-financed. Since the 1954 Act came into force, NHA loans have accounted for about 43% of new starts and conventional loans by life insurance and trust and loan companies some 28%. Of the remainder, a large proportion was financed by mortgage loans from individuals, credit unions and other sources.

Demand for new housing is apt to be expressed in the first instance as a demand for mortgage funds, and the level of demand is affected in large measure by the terms of mortgage borrowing.

Borrowing terms under the National Housing Act are more attractive than those offered on conventional mortgage loans by lending institutions and by other private mortgage lenders. For one thing, NHA mortgage loans may be as high as 90% of the lending value of the property to be built. Lending institutions are restricted for the most part by statutes governing their operations to loan amounts on conventional mortgages not exceeding 60% of the value of the real estate. Non-institutional mortgage lenders, while not subject to statutory limitations, do not characteristically lend a high proportion of the value of real estate security without exacting a relatively high rate of interest.

NHA borrowing terms are also more favourable in the term of the loans and the amortization of principal. Finally, a maximum rate of interest is fixed in respect of NHA loans according to the provisions of the National Housing Act.

Because of competitively favourable borrowing terms, demand for NHA loans is frequently higher than the supply of loans available at the stipulated interest rate. For most of the 'fifties' there was an excess of demand for mortgage funds under the National Housing Act.

To a degree, unsatisfied demand for NHA loans adds to the demand for conventional mortgage loans and is reflected in the market for new housing. But this transfer of demand from one market to another is limited by the increased down payment requirements, higher interest rates and increased repayments on conventional loans. Thus, when demand for NHA mortgage funds is greater than the supply of NHA loans from lenders, a part of this excess demand is completely suppressed and has no immediate direct effect on the volume of new building. In such circumstances, the rate of new building is comparatively insensitive to changes in the underlying demand conditions but is highly responsive to changes in the availability of mortgage funds.

Residential mortgages represent the largest single claim on long-term capital funds in Canada today — larger than private bond or stock issues, municipal or provincial borrowings and, in most years, larger than Federal Government borrowings. When demands for capital increase generally throughout the economy other users are able to attract funds from the NHA sector of the mortgage market by bidding up interest rates. As these other demands subside and capital funds become more readily available, the NHA demand reasserts itself. The immediate dependence of NHA house building on the capital market has resulted in a broad counter-cyclical pattern in the rate of housing starts during most of the 1950's. Since 1954, the annual rate of house building increased without interruption up to the third quarter of 1955, then declined steadily to the first quarter of 1957, increased again in the last three quarters of 1957 and in 1958, and began to decline again in 1959.

The recovery in 1957 was accentuated by the great increase in mortgage lending by the Corporation that took place under the National Housing Act in the last four months of the year. Government lending through the Corporation continued on a heavy scale in 1958, and on a somewhat lower level in 1959.

Of most significance among housing developments of the 'fifties' have been the powerful undercurrent of demand and the improvements in housing conditions made possible by the high rates of new building achieved.

Other things remaining unchanged, continuing improvements in housing conditions should tend to diminish or moderate the demand for new housing. But other things seldom remain unchanged. Rates of family formation appear to be on the threshold of a long upward trend. Real incomes will undoubtedly continue to increase in future years. People's attitudes on the standard of housing accommodation towards which they can reasonably aspire are also likely to change with the passing of time.

In the eventuality that the dynamic elements underlying housing demand shift upwards as housing conditions improve, rates of new building will continue to be dominated by the availability of mortgage funds through the capital market.

CANADA'S HOUSING IN 1959

House-building activity in 1959 continued at a high level, second only to the record-breaking volume achieved in 1958.

The general economic recovery that marked the closing months of 1958 was accelerated in 1959 giving rise to competing demands for long-term funds. In face of these demands and rising interest rates approved lenders withdrew progressively from insured lending under the National Housing Act. Compensation was provided by a continuing substantial investment of public mortgage funds through the Corporation, particularly in the autumn months of the year.

The number of new dwellings completed at 145,671 was about the same as the 1958 total of 146,686; starts declined by 14% to 141,345, compared with the peak year of 1958 with 164,632 units. At the end of December, there were 81,905 dwelling units under construction.

In spite of the decline in housing starts expenditures on new residential construction amounted to \$1,758 million, only 1.3% less than the \$1,782 million outlay in 1958.

1959 was a year in which changed lending patterns emerged. At the outset, new housing starts reached an unusually high level. This activity arose out of the upsurge in mortgage lending at the end of 1958, which produced not only a heavy carryover of 88,162 units but a high rate of starts early in the year. The initial buoyancy was followed by marked declines during the next three months. From April to September, there was little change, but from October to the end of the year starts increased under the stimulus of the Corporation's lending programme.

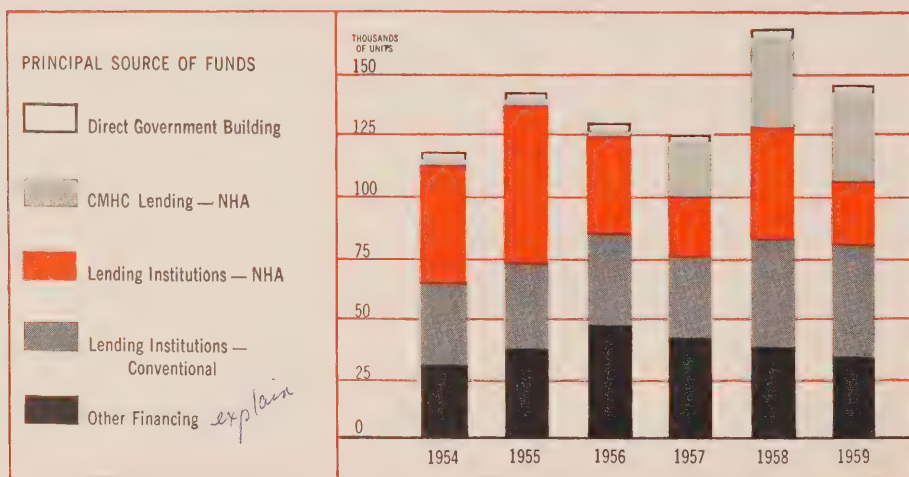
Much of the decline in starts from 1958 — both single and multiple-family units — was accounted for by a substantially decreased number of dwellings financed by approved lenders under the National Housing Act. In 1959, these totalled 26,600 compared with 44,500 in 1958.

In the conventional lending field, funds were committed by institutional lenders for 45,200 dwelling starts, an increase of about 2,200 over the previous year.

Although there was some decline in the number of housing starts financed by mortgage loans through the Corporation, the volume substantially exceeded that of approved NHA lenders and comprised, for the second successive year, 20% or more of the year's total starts. Public funds accounted for 37,500 housing starts compared with 37,800 in 1958.

Each year, a substantial number of dwellings is financed by mortgage loans from individuals and other non-institutional lenders or without recourse to mortgage loans at all. Some decline took place in housing starts in this category, with 32,100 dwellings financed against 39,400 a year ago.

NEW HOUSING STARTED 1954-1959



Similarly, although lower than in 1958, mortgage funds committed by the Corporation at \$343.2 million were sharply in excess of commitments by approved lenders at \$283.0 million. Of total public funds, \$158.8 million financed

homes for owner applicants and \$149.7 million went to builders building homes for sale to owners. The remaining \$34.7 million was used to finance low-rental housing built by limited-dividend companies.

Of the \$343.2 million in Government funds committed in 1959, 68% or some \$232.7 million, went to the metropolitan and larger urban areas; 12%, or \$42.6 million, to other towns and cities of more than 5,000 population; and 20%, or \$67.9 million, to the smaller centres and rural communities.

The incomes of some 40% of National Housing Act borrowers were less than \$5,000 a year. For all borrowers under the Act, the average income in 1959 was \$5,716 compared with \$5,628 in 1958.

Families of modest means were again enabled to undertake home-ownership. Corporation loans to builders and to home-owners in the larger centres have been available only for houses subject to minimum size limitations. Under this Small Home Loans Programme, cost, amount of down payment and income required to repay the loan are reduced. Sixty per cent of the public mortgage funds committed in 1959 was used to finance dwellings under this plan.

Corporation loans to home owners and to sponsors of limited-dividend projects were available throughout most of the year. In September, quotas were established for merchant builders but by October 30 there were so many applications on hand that further promises to lend could not be given by the Corporation. The remainder of the \$1 billion sanctioned by Parliament, including the additional \$250 million voted in March, was required for disbursements on loans for which applications had already been received.

The cost per square foot of single-family homes financed under the National Housing Act averaged \$10.78 in 1959 compared with \$10.51 in 1958. The average total cost of these homes, including land, was estimated at \$14,729 in 1959, against \$14,475 in 1958 with approximately \$225 additional in each case for mortgage insurance. The average size of single-family dwellings built in 1959 was little changed at 1,108 square feet, compared with 1,118 square feet in 1958. Average land costs were moderately higher at \$2,533 against \$2,471 in the previous year.

The decline in starts of dwellings financed by approved lenders under the National Housing Act resulted from a shortage of funds for such loans rather than from a decline in demand. Housing demand remained strong throughout the year — in spite of the many and complex problems associated with the supply of mortgage

funds. In face of a record level of completions, there was little change in the inventory of unoccupied new dwellings, whether single-family units or apartments.

The National Housing Act permits the sale and purchase of insured mortgage loans. During the past six years sales have amounted to \$220 million, \$42 million in 1959.

There was increasing public interest in problems of urban redevelopment and the provision of housing for lower income groups. Federal grants were approved to assist ten municipalities in conducting urban renewal studies and three cities obtained grants towards the cost of the redevelopment of blighted areas. Arrangements were completed by Federal-Provincial partnerships for the construction of 772 public housing dwellings. Limited-dividend housing companies also obtained loans from the Corporation for the construction of 4,518 low-rental dwellings, about 970 of which were designed for elderly persons.

The house-building industry continued to search for methods of effecting savings through new construction techniques, equipment and materials. A committee of the Royal Architectural Institute of Canada began an enquiry into the design of residential areas.

THE NATIONAL HOUSING ACT

On March 20, the National Housing Act was amended as follows:

The amount that may be advanced to the Corporation out of the Consolidated Revenue Fund for lending purposes was increased to \$1 billion from \$750 million.

NHA
Sections 22, 40

The limitation of \$25 million on the Corporation's authority to purchase insured loans or to make loans to approved lenders on the security of insured loans was removed.

NHA
Section 22

The Corporation was authorized to administer insured loans by agreement with the holder of such loans.

NHA
Section 6

The Corporation was authorized to sell loans to persons other than approved lenders and to issue insurance policies if the loans are to be administered by an approved lender or by the Corporation.

Under the insurance settlement terms the fee for acquiring title to mortgaged property in default was increased to \$150 from \$125; and for loans made after the date of the amendment the amount of the settlement was raised to include 100% of the unpaid principal and related interest rather than 98% as for loans made prior to the amendment.

NHA
Section 9

Changes in the rates of interest, which are prescribed by the Governor in Council for loans under the Act, were as follows:

NHA
Sections
4, 16,
7, 40

The rate of interest on limited-dividend loans, made under Section 16 was raised in April from $4\frac{5}{8}\%$ to $5\frac{1}{8}\%$ and in October to $5\frac{7}{8}\%$ (Orders in Council P.C. 1959-434 April 8, 1959 and P.C. 1959-1290 October 1, 1959).

The maximum interest rate on insured loans was increased to $6\frac{3}{4}\%$ from 6% (Order in Council P.C. 1959-1584 December 16, 1959).



REPORT OF OPERATIONS

In 1959, for the first time, public funds exceeded funds from approved lenders in mortgage loan commitments under the National Housing Act.

Loans by the Corporation totalled \$343.2 million, a decline of about 8% from 1958. Loans by approved lenders, however, were some 44% lower at \$283.0 million.

In terms of dwelling units, 58,082 were financed under the Act in 1959. Of these, 772 were under joint Federal-Provincial arrangements. Of the 57,310 dwellings financed by mortgage loans, 32,228 were with public funds and 25,082 by approved lenders. In 1958, 83,242 dwellings were financed under the Act (*Tables 2 and 3*)¹.

Insured Loans by Approved Lenders

In the first quarter of 1959, approved lenders made more NHA loans than in the corresponding three months of 1958. As the year progressed, however, there was a sharply expanded demand for credit and interest rates in general increased. NHA mortgages with a fixed maximum rate of 6% became less attractive to approved lenders and by the fourth quarter the volume of their NHA lending was down by 87%.

NHA
Sections
6, 7, 8

The decline was common to all types of lenders. Loans by the chartered banks dropped to 14,067 units from 25,713 in 1958. Similarly, loans by life insurance and trust and loan companies were down to 11,015 from 20,003 in 1958. The average loan amount increased to \$11,283 from \$11,156 in the previous year (*CHS — Table 24*)².

More than 60% of the funds supplied by approved lenders went to merchant builders — for 15,376 dwellings, compared with 26,228 in 1958. Home owners obtained loans for 6,681 houses, about 5,300 fewer than in 1958, while loans for rental accommodation accounted for 3,025 units against 7,483 in 1958.

¹ All references to "Tables" are to tables in this report. Because loans precede starts by several weeks, loans made late in one year may not produce starts until the next. Starts and loans figures on an annual basis are therefore not identical.

² All references to "CHS" are to Canadian Housing Statistics, 4th quarter, 1959.

Loans by the Corporation

In 1959, the Corporation made loans for 32,228 dwellings. Of this number, 13,188 were for homes to be built for sale by merchant builders, 14,559 for individual home owners and 4,518 for low-rental dwellings in limited-dividend projects. In 1958, 36,453 dwellings were financed through the Corporation. Of these, 22,506 units were in loans to merchant builders, 5,282 in loans to home-owners, 2,458 in loans for rental accommodation, and 6,282 in limited-dividend loans.

Loans to Owners and Builders

In 1958, Corporation loans were available to home owners and to builders throughout most of the year. In 1959, loans to owner applicants were available for the first ten months of the year but loans to builders were not made until September, and then on a new quota of 15 Corporation loans each. By October 30, there were so many applications on hand that further promises to lend could not be given by the Corporation. The amount of \$1 billion sanctioned by Parliament, including the \$250 million voted in March, was required for disbursements on loans for which applications had already been received.

In the first eight months of 1959 Corporation loans were down from the previous year by 39%. In the last four months there was an increase of 32%.

With loans to builders available for only a few months of the year, there was a marked decline in loans of this type. The decline was, however, largely offset by a substantial increase in loans to home owners, particularly those in the smaller centres of less than 55,000 population.

Sixty per cent of the public funds committed in 1959 was used to finance dwellings under the Small Home Loans Programme. Because houses financed under this plan were restricted in size, the cost, amount of down payment and income required to repay the loan were comparatively low and families of modest incomes were again enabled to undertake home ownership.

Loans for home owners included some 160 dwellings to be built by co-operative groups and a further 664 for veterans building under Part II of the Veterans' Land Act (*CHS — Table 24*).

Loans to Limited-Dividend Housing Companies

In 1959, loans were made to limited-dividend companies to finance the construction of 4,518 low-rental dwellings in areas in which conditions of shortage, overcrowding or sub-standard housing existed. The accommodation was directed towards the lower third income level and projects were designed so that their capital costs would be consistent with low rents. In 1958, loans for 6,282 limited-dividend units were approved (*CHS — Table 24*).

Approximately 970 of the dwellings approved in 1959 were designed for elderly persons and were sponsored by non-profit companies. Assistance in the form of grants or tax concessions was provided by some provincial and municipal governments.



Limited-dividend housing, designed for the use of the blind, Victoria.

Characteristics of NHA Borrowers and Houses

The average owner of a house financed in 1959 under the National Housing Act was a little more than 34 years of age and had either one or two children. His annual income was \$5,716 and the house he built or bought cost him \$14,516 (plus \$228 mortgage insurance fee). The new owner made a down payment of \$3,094 and undertook monthly payments of \$96 against principal and interest on the mortgage and municipal taxes. Average monthly payments represented 20.1% of his income.

While the average owner could be described in this way, there were substantial variations between groups of owners. The incomes of those with houses financed under the Small Home Loans Programme were nearly \$900 less than the average borrower from an approved lender. More than one-half of this group had incomes of \$5,000 or less. Their dwellings cost \$2,156 less and down payments were lower by \$1,268 (*CHS — Table 46*).

Bungalows of three bedrooms were the most popular type of house financed under the Act making up about 86% of the total. Split-level dwellings accounted for about 12%, with 2-storey and 1½-storey houses representing only 2% of the total.

There was little change from the previous year in the size of NHA-financed houses. Overall, the average was 1,108 square feet — comprising dwellings built

under the Small Home Loans Programme at 1,046 square feet, other Corporation-financed houses at 1,089 square feet and dwellings for which loans were arranged by approved lenders at 1,165 square feet.

There was some increase in 1959 in costs of dwellings financed under the Act. Land costs were up about 3%, bringing the cost of an average lot to \$2,533. Construction costs per square foot increased by 2.6%. With little change in area, these increases brought the average cost of houses built by builders or owners in 1959 to \$13,981 under the Small Home Loans arrangement and \$15,896 for dwellings financed by approved lenders. In each case the borrowers also paid a mortgage insurance fee of approximately \$225 (*CHS — Table 66*).

National Housing Act Mortgages Outstanding

Mortgage debt outstanding under the Housing Acts increased in 1959 to \$3,782 million. Loan advances to borrowers exceeded repayments by \$607 million.

Mortgage debt outstanding as a result of operations under the various Housing Acts represented nearly one-third of all Canadian mortgage debt on all types of property.

With holdings of more than \$1 billion, some of it contracted under the pre-1954 Acts, the Corporation as a single institution had by far the largest share of mortgage debt under the Housing Acts. The life insurance companies together held \$1.5 billion of the debt and the chartered banks \$1.1 billion.

Joint Lending

Some \$697 million of the debt outstanding was contracted under the joint lending system of the pre-1954 Housing Acts. Of this total, \$508 million was held by the lending institutions, which advanced approximately three-quarters of joint loans, while \$189 million was held by the Corporation as the Government's share.

Under arrangements made for guarantee of losses sustained by lenders on these loans the Government, through the Corporation, had a contingent liability of \$60 million at the end of 1959. One joint loan foreclosure was completed during the year.

Insured Lending

Mortgage debt covered by the loan insurance provisions of the 1954 Act amounted to \$2,733 million at the end of 1959. Approximately \$2,113 million was held by approved lenders and \$620 million by the Corporation in residual loans.

Assets of the Mortgage Insurance Fund amounted to \$61 million at the end of 1959. Thirty-seven claims were made against the Fund in 1959, 15 by approved lenders and 22 by the Corporation. All but 18 of these claims had been paid at year-end. In all, 54 claims have been made on the Fund since 1954. Twenty-two of the properties acquired by the Fund had been sold at the end of 1959. Foreclosure or other action was taken during the year in ten default cases in which claims were not made against the Fund. Since 1954, approved lenders acquired 18

properties as a result of default on which they did not file claims; in three other default cases foreclosure sales resulted in the lenders' loans being paid in full.

Corporation Lending

In addition to mortgage debt covered by the loan insurance provisions of the 1954 Act and the Government's share of joint loans, the Corporation had at the end of 1959 mortgage debt outstanding of \$352 million. This was made up of \$132 million in loans to limited-dividend housing companies; \$5 million in loans to primary industries; \$76 million in rental guarantee loans; \$34 million in loans to home owners made before the 1954 Act introduced mortgage loan insurance; and \$105 million in sale agreement and mortgage accounts arising from the sale of Corporation-owned property.

As a result of defaults on loans the Corporation acquired one limited-dividend project of 96 units and one single dwelling. In one other case the Corporation instituted foreclosure proceedings which resulted in the debt being paid in full from the proceeds of the foreclosure sale. Default in payments on mortgage and sale agreement accounts resulted in repossession of three properties.

Three claims under Rental Guarantee contracts totalling approximately \$5,000 were under review at the year-end. Rental Guarantee contracts have not been made since 1955 and claims have not been paid since 1957.

At the end of 1959 the Corporation had 76,862 loans under administration, an increase of 83% in the past two years, arising in large part out of expanded lending programmes in 1958 and 1959.

At the year-end payments by borrowers on 7.01% of these accounts were outstanding for 18 days or more compared with 8.89% at the end of 1958. Arrears of three months or more amounted to \$150,692 compared with \$105,526 at the end of the previous year.

Sale of National Housing Act Mortgages

Total secondary market sales of insured NHA mortgage loans by lenders amounted to \$42.5 million in 1959 compared with \$47.7 million in the previous year. Chartered banks continued to be the main sellers in 1959 and were responsible for nearly 75% of all transactions. Corporate pension funds were the largest purchasers. Their acquisition of insured mortgages amounted to \$36.9 million in 1959. During the past six years total sales by approved lenders have amounted to \$220 million.

Home Improvement Loans

Owners were again encouraged by the Federal Government to make improvements to their homes during the winter months. Lending under the Home Improvement Loan provisions of the National Housing Act was substantial although there was some decline from the 1958 level.

Almost 33,000 loans, aggregating some \$37.5 million, were made in 1959, compared with 37,132 loans for \$39.6 million in the previous year. During the first seven months of the year, volume of lending was higher than in the corresponding 1958 period and all of the decline took place in the last five months when demand for bank credit increased sharply (*Table 5*).

The Corporation's liability under its guarantee against losses — limited to 5% of total loans made by each lender — increased to \$8.0 million at the end of 1959 from \$6.2 million at the end of 1958. The Home Improvement Loan Insurance Fund, comprising fees received from borrowers, was up to \$1.6 million from \$1.2 million at the end of the preceding year.

Loss claims of some \$75,000 were paid to lenders during 1959, bringing total claims paid to \$195,883 — or approximately 0.12% of all loans made. The Corporation recovered \$15,744 of the claims paid.

Chartered banks reported that Home Improvement Loans outstanding at the end of 1959 totalled \$59.7 million, compared with \$57.3 million at the close of 1958.

Property Management

At the beginning of 1959, the Corporation owned and managed 12,586 rental dwellings. During the course of the year, 1,315 of these were sold, the majority to occupying tenants.

At Gander, where the Corporation has been associated with the Department of Transport in the development of the town adjacent to the airport, 50 houses were completed in 1959, bringing the Corporation's holdings there to 392 dwellings.

Most Corporation-owned property was acquired as a result of wartime and post-war construction programmes. Veterans, who are given preference in the rental of these dwellings, occupied 90% of the units in 1959.

Rental revenue from these properties amounted to \$7.3 million in 1959, an average annual rent of \$611, compared with the average of \$590 in 1958. The increase represented, for the most part, amounts collected for higher payments in lieu of taxes. At the end of the year, rental arrears amounted to \$49,568, or 0.68% of annual rent receivable. Arrears not exceeding one month made up 60% of this total.

Operating expenses, excluding cost of administration and depreciation, amounted to \$3 million in 1959, approximately \$250 a unit compared with \$213 a unit in 1958. Increased expenses were largely attributable to major extraordinary maintenance on older properties and generally higher costs of maintenance.

Payments to municipalities in lieu of taxes totalled \$1.8 million in 1959, compared with \$1.6 million in 1958. At the beginning of 1959, the Corporation was making payments in lieu of taxes equal to normal taxes on 7,008 dwellings. During the year, agreements with 14 municipalities were revised and at the end of 1959 payments equal to normal taxes were being made on 8,805 dwellings.

Urban Redevelopment

Grants were approved in 1959 to assist three municipalities in the redevelopment of blighted areas. The contributions of the Federal Government, which comprise grants of up to one-half the cost of acquiring and clearing the areas, total approximately \$5 million. Revenue derived from the use of the cleared land is shared by the governments in proportion to their financial assistance.

The Moss Park project, third in Toronto's renewal plan, covers some 14 acres. Plans for re-use of the land include extension of the Park, a site for an institutional building of a public or semi-public nature and land for residential development.

A second renewal project in Halifax consisting of one city block was approved during the year. Families displaced by the clearance of the blighted properties will be offered accommodation in Federal-Provincial low-rental housing in the City.

Windsor's first redevelopment project comprises 15 acres of blighted land in the vicinity of the City Hall. The project will provide land for low-rental housing as well as sites for civic and institutional purposes and for private housing. Most of the properties in the area to be redeveloped were acquired by the City during 1959 and clearance was under way before the end of the year.

Progress in the acquisition and clearance of properties continued in the Montreal and Halifax redevelopment projects for which grants were approved prior to 1959.

Federal approval in principle was given to an application by the City of Saint John for assistance in the redevelopment of 57 acres in the eastern part of the City. At the end of the year a number of other cities, including Moncton, Vancouver, Trail, Hamilton, Sarnia and Winnipeg, were preparing applications for Federal grants.

Federal-Provincial Projects

During 1959 approval was given to partnership arrangements with provincial governments for nine public housing projects. Under joint agreements the Federal Government advances 75% of the capital cost of the project and the province provides the remaining 25%. In some cases the provincial government requires the municipality initiating the project to assume a part of the 25% share.

Projects approved in 1959 will provide a total of 772 low-rental dwellings in developments, ranging in size from ten to 298 units in the Ontario municipalities of Brantford, Clinton, Delhi, Kingston, Orillia, Ottawa, Sarnia and Windsor, and in Regina, Saskatchewan.

Construction commenced on the Kingston and Orillia projects and on housing authorized prior to 1959 in Halifax, Hamilton, London and Goderich. During the year 963 dwellings were completed, including the first 114 of the 796-unit Les Habitations Jeanne Mance, Montreal.

Federal approval was given to carry out preliminary work on proposals for new or additional projects in a number of other municipalities including Saint John, Halifax, Metropolitan Toronto and Vancouver.

From the beginning of the Federal-Provincial arrangement to the end of the year 6,550 dwellings built under the Federal-Provincial provisions of the Act had been transferred to local housing authorities for administration. For approximately 3,200 of the dwellings the rents are set at a level sufficient to recover the capital costs and to meet interest charges and current operating expenses. In the remainder the rents are related to the tenant family's income and size, and the deficit, where the rents collected do not meet expenditures, is shared by the partnership (*Table 4*).

Under an agreement between the Federal Government and the Government of the Province of Nova Scotia, the Nova Scotia Housing Commission and Central Mortgage and Housing Corporation may undertake the construction of homes for sale to co-operative companies. The Commission advances the Federal-Provincial funds to the co-operative companies during construction. The houses are sold after completion to the co-operatives and repayment is made over a period of years. Thirty projects comprising 258 dwellings were initiated in 1959. A total of 776 houses has been approved under this arrangement since 1953.

Land Assembly

Under joint agreements, similar to those for public housing, land for residential use may be acquired and serviced by Federal-Provincial partnerships. During the year some 615 acres were purchased in Nepean Township on the outskirts of Ottawa which will provide 2,800 serviced lots over a development period of three to five years. Federal approval was given to acquire approximately 255 acres in Kingston and to proceed with the investigation of projects of approximately 200 lots in Trail and 400 in St. Thomas.

A project was authorized which will provide 113 lots as the second phase of a land assembly development in Kenora.

In 1959, 1,775 lots were sold, bringing to a total of 7,936 the number serviced and sold out of some 14,800 authorized for development.

Design and Construction

Most of the Corporation's work in design and construction during 1959 was for Department of National Defence establishments and Federal-Provincial projects.

Architectural drawings were completed for the construction of more than 700 dwellings for servicemen's families. These included housing at Petawawa and Oakville in Ontario, and at Greenwood, Nova Scotia. Preliminary work was carried out on the design of housing for the Shearwater naval base.

Construction contracts were awarded for 600 servicemen's dwellings and two schools. The Corporation administers these contracts and others awarded prior to 1959. Construction was completed on eight schools and 1,485 dwellings at military bases, the majority at Camp Gagetown, New Brunswick. A special project of 100 dwellings was also arranged for Summerside, Prince Edward Island.



Row Housing, Orchard Park, Vancouver.

Twenty-eight Federal-Provincial projects totalling some 3,100 dwellings were designed wholly by the Corporation's architectural staff or in association with private firms. Residential lot arrangements were designed for 11 land assembly projects. Preliminary planning was undertaken for three Federal-Provincial land holdings totalling some 1,300 acres.

Construction contracts were awarded for Federal-Provincial projects totalling more than 700 dwellings. The Corporation administers these and other contracts awarded earlier.

Under agreement with Atomic Energy of Canada Limited, the Corporation continued to provide design services and to undertake house construction at Deep River.

To ensure a high standard of planning in developments financed with insured loans planning reviews were carried out on more than 280 proposed project layouts. Subdivision layouts were prepared for Fort Smith, Northwest Territories.

The Corporation's design and planning services were also called upon in an advisory capacity on problems encountered by Government departments in remote northern town-sites.

Housing Research and Community Planning

The Corporation in the course of its work engages in housing research. In addition it has a specific responsibility under the Act to carry out or arrange for studies and investigations by other institutions or agencies which will lead to the improvement of housing and community planning. In 1959 expenditures for these activities amounted to \$1.1 million of which about 40% was spent outside the Corporation.

NHA
Sections
31, 32, 33

Technical Investigations

Most of the investigations into the house-building process were carried out in collaboration with the National Research Council. The Corporation was also associated with other agencies or Government departments with facilities for experimental work on special problems.

Studies of foamed plastics as materials for house construction continued. An experimental structure set up in 1958 was under observation throughout the year and another unit incorporating new features was added in 1959.

Assistance was given to the National House Builders Association in its budget-house research programme. A second experimental house was built in 1959 and plans for the third neared completion.

The Corporation continued to review and to accept for NHA-financed construction new materials and methods as their suitability was demonstrated.

A grant was made to assist the Ontario Research Foundation to continue research into the development of a self-contained household sewage purification unit.

A grant was authorized to provide travelling fellowships for architectural students intending to specialize in the design and construction of houses. Financial assistance was also approved for a Province of Ontario study designed to develop a set of minimum standards affecting the occupancy and maintenance of dwellings.

Economic Research

The economic research activities of the Corporation dealt mainly with market conditions and measurement of the volume and flow of mortgage funds. Relevant statistics were published quarterly in *Canadian Housing Statistics*.

A grant was approved to assist a university study of the economic problems, growth and change in the structure of Canadian urban communities.

The Committee appointed by the Corporation and the Province of Ontario to review various aspects of public housing, particularly the graduated rental scale applied in subsidized projects, continued its hearings in 1959 and was engaged in the preparation of a preliminary report. The survey was assisted by a grant approved in 1958.

Urban Renewal Studies

Grants were made under the provisions of the Act to ten municipalities to assist them in carrying out studies to identify substandard areas and to formulate proposals for the solution of problems contributing to blight.

Sydney, St. John's, Montreal, Quebec, Sudbury, Sault Ste. Marie, Winnipeg, Dawson Creek, Vancouver and Victoria undertook urban renewal studies in 1959. The Montreal study, which was limited to a central area, was published during the year. Moncton and Trail also published the results of investigations commenced in 1958.

House Design

The Canadian Housing Design Council, which is assisted by funds provided under the National Housing Act, continued to direct its programme towards the

improvement of housing design. In 1959, in addition to its established series of awards for good design in single houses, the Council made awards for successful grouping of houses. The best in current housing design was brought to the attention of consumer groups, professional designers and builders, through exhibits developed from the award-winning designs.

Community Planning

Through grants authorized by the Government the Corporation was able to continue its arrangements with Canadian universities for the advancement of training in community planning. The grants were provided for fellowships and bursaries for post graduate and research work in housing, planning and urban development and to the four universities having faculties for these studies.

A grant was approved to assist a country-wide enquiry undertaken by the Royal Architectural Institute of Canada into the design of residential areas.

The Corporation continued financial assistance to the Community Planning Association of Canada, a voluntary society incorporated to promote nation-wide recognition of the importance of orderly community and regional development.

Organization and Staff

The operations of the Corporation are carried out in 51 field offices throughout Canada. Its Head Office is in Ottawa.

The Corporation was able to meet expanded accounting and administrative responsibilities, arising out of a 37% increase in mortgage and property accounts, without an appreciable increase in staff. The Corporation was in fact able to reduce administrative expenditure by \$216,000. There were 1,970 employees at the end of 1959. The very large increase in the mortgage portfolio will, however, tend to add to personnel and administrative costs in 1960 and future years as the normal problems of collections, tax payments, servicing, arrears and default remedies find reflection in the larger number of accounts.

The members of the Board of Directors are most appreciative of the loyal and efficient manner in which the staff assumed increased and more complex responsibilities during the year.

Accounts

Total revenues earned by the Corporation in 1959 amounted to \$62,889,400 (\$45,977,100 in 1958) of which the net income totalling \$4,348,129 (\$2,362,466 in 1958) was transferred to the Reserve Fund after providing for income tax amounting to \$4,433,000 (\$2,181,000 in 1958).

The Receiver General was credited with a total amount of \$9,553,588 (\$7,994,993 in 1958) by transfer from the Reserve Fund which included \$5,205,459 (\$5,632,527 in 1958) realized from the sale of property acquired from the Government of Canada.

Assets of the Corporation were \$1,382,322,981 which reflected an increase of \$300,674,405 from the 1958 total of \$1,081,648,576.

The Auditors' Report and the financial statements of the Corporation for the year under review are presented on the following pages.

Auditors' Report

TO THE MINISTER OF PUBLIC WORKS:

We have examined the attached financial statements of Central Mortgage and Housing Corporation for the year ended December 31 1959 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we have considered necessary in the circumstances.


In our opinion, proper books of account have been kept and the financial statements of the Corporation were prepared on a basis consistent with that of the preceding year and are in agreement with the books.

The transactions of the Corporation that have come under our notice have been, in our opinion, within the powers of the Corporation.

In our opinion, the attached financial statements are properly drawn up so as to give a true and fair view of the state of the Corporation's affairs as at December 31 1959 and of the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Corporation.

 C.A.

of the firm
Glendinning, Campbell,
Jarrett & Dever

 C.A.

of the firm
René de Cotret, Ferron,
Nobert & Cie

Ottawa, February 11, 1960.

FINANCIAL STATEMENTS *December 31, 1959*

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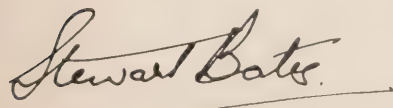
CENTRAL MORTGAGE AND HOUSING CORPORATION

ASSETS	1959	1958
Cash	\$ 1,059,937	\$ 5,490,791
Accounts receivable, less allowance of \$26,540 for bad and doubtful accounts	805,251	735,741
Expenditures recoverable from Provincial Governments under Federal-provincial Agreements	2,367,860	2,016,680
Due from the Minister of Public Works on current account	563,632	802,677
Loans under the Housing Acts, including \$4,900,221 interest accrued or receivable	1,061,479,974	776,019,409
Agreements for Sale and Mortgages arising from sales of properties, including \$434,421 accrued interest	105,143,043	103,198,093
Advances to Municipalities and others on deferred repayment terms, including \$31,885 accrued interest	5,048,207	4,538,622
Real Estate, including business premises—at cost or at values placed by the Board of Directors on properties acquired from the Government of Canada less \$18,325,093 accumulated depreciation	68,386,976	77,559,598
Corporation's share in the joint ownership of Real Estate under Federal-provincial Agreements	69,011,821	59,648,619
Office furniture and sundry equipment, less \$1,210,531 accumulated depreciation	418,796	464,965
Government bonds received as security deposits from contractors and others	2,193,235	1,571,000
Other assets	208,816	225,482
	<u>\$1,316,687,548</u>	<u>\$1,032,271,677</u>
Assets of the Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantee Funds	65,635,433	49,376,899
	<u><u>\$1,382,322,981</u></u>	<u><u>\$1,081,648,576</u></u>

BALANCE SHEET — DECEMBER 31 1959

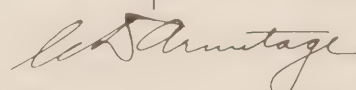
(with comparative figures for 1958)

LIABILITIES	1959	1958
Accounts payable and accrued charges	\$ 2,021,044	\$ 2,711,288
Contractors' holdbacks, and deposits from contractors and others	8,348,559	8,923,935
Unearned fees, rentals, and payments received on sales of Real Estate in process of execution	676,099	1,079,813
Employees' Retirement Fund	103,341	89,049
Reserve for Purchase Guarantees	58,122	58,122
Due to the Minister of Public Works for profits (net) in respect of loans, guarantees and other commitments under the Housing Acts	219,054	18,538
Due to the Receiver General in respect of the excess in Reserve Fund over statutory limitation	9,553,588	7,994,993
Estimated income tax less instalments paid	2,304,287	1,520,621
Borrowings from the Government of Canada, evidenced by debentures of the Corporation:		
For lending under the Housing Acts, including \$8,017,550 accrued interest	1,029,173,410	750,500,667
For acquisition and construction of Real Estate under Federal-provincial Agreements, including \$896,334 accrued interest	76,923,680	66,803,798
For acquisition and construction of Real Estate, including \$1,453,423 accrued interest	96,795,771	98,476,124
Surplus arising from valuation of properties acquired from the Government of Canada	4,009,909	4,589,585
Unrealized profits on Real Estate sold on deferred payment terms	56,500,684	59,505,144
Capital, authorized and fully paid by the Government of Canada	25,000,000	25,000,000
Reserve Fund	5,000,000	5,000,000
	<u>\$1,316,687,548</u>	<u>\$1,032,271,677</u>
Reserves for Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantees	65,635,433	49,376,899
	<u>\$1,382,322,981</u>	<u>\$1,081,648,576</u>



Stewart Bates

President



Chief Accountant

STATEMENT OF INCOME AND EXPENDITURE

INCOME

Interest earned on loans under the Housing Acts	
Less: Interest on borrowings	
Property Rentals	
Less: Property Expenses:	
Interest on borrowings	
Repairs, maintenance and other expenses	
Payments to municipalities in lieu of taxes and for services	
Depreciation on real estate and sundry equipment	
Interest earned on Corporation's share in projects under Federal-provincial agreements	
Less: Interest on borrowings	
Interest earned on agreements for sale and mortgages	
Less: Interest on borrowings	
Application fees earned on insured mortgage loans	
Fees earned for services rendered to Government agencies	
Net profits realized on dispositions of real estate acquired by capital expenditure	
Miscellaneous	

ADMINISTRATIVE EXPENDITURE

Salaries	
Pension Fund, group and unemployment insurance and medical examinations	
Directors' fees and expenses	
Auditors' fees and expenses	
Legal fees and expenses	
Examination fees paid to Approved Lenders	
Fees to Approved Lenders re: Agency Loans	
Information services	
Office supplies and expenses	
Rental and expenses of administrative premises	
Telephone, telegraph and teletype	
Travel, moving expenses and use of employee-owned automobiles	
Interest allowed on sundry deposits	
Depreciation on business premises	
Depreciation on office furniture and sundry equipment	
Miscellaneous	

INCOME LESS EXPENDITURE FOR THE YEAR BEFORE INCOME TAX

Deduct: Estimated Income Tax	
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NET INCOME—TRANSFERRED TO RESERVE FUND

FOR THE YEAR ENDED DECEMBER 31 1959

(with comparative figures for 1958)

Statement II

1959			1958		
\$44,453,186			\$27,337,811		
32,817,918	\$11,635,268		20,268,766	\$ 7,069,045	
7,550,418			7,937,798		
\$1,537,787			\$1,631,005		
1,422,500			1,523,470		
1,786,544			1,633,125		
1,812,757	6,559,588	990,830	2,041,653	6,829,253	1,108,545
2,600,111			2,105,276		
2,482,401	117,710		1,964,591	140,685	
5,367,603			4,976,656		
984,627	4,382,976		891,417	4,085,230	
	2,316,654			2,917,303	
	300,781			421,544	
	267,835			223,176	
	32,849			57,547	
	20,044,903			16,023,084	
6,294,275			5,835,336		
890,720			877,802		
4,329			4,876		
34,008			34,008		
5,987			10,664		
90,117			160,516		
1,553,610			2,053,461		
31,730			56,174		
431,155			481,334		
512,652			481,203		
144,847			143,098		
653,915			658,897		
138,801			168,064		
141,708			147,236		
104,061			112,481		
231,859	11,263,774		254,468	11,479,618	
	8,781,129			4,543,466	
	4,433,000			2,181,000	
	\$ 4,348,129			\$ 2,362,466	

RESERVE FUND FOR THE YEAR

Balance, January 1	
Add:	
Net Income for the year	
Profits realized on sales of properties acquired from the Government of Canada .	
Deduct:	
Excess over statutory limitation — transferred to the credit of the Receiver General	
Balance, December 31	

LOANS UNDER THE HOUSING ACTS FOR

	<u>Balances December 31 1958</u>	
	<u>Number of Loans Outstanding</u>	<u>Value</u>
<i>Joint Loans (Corporation's Share)</i>	126,172	\$207,470,389
<i>Uninsured Loans</i>		
Limited-dividend Housing Companies	189	88,338,676
Mining, Lumbering, Logging and Fishing Industries .	17	5,417,297
Home Owners	5,644	35,488,734
Builders and Others, under Rental Guarantee Contracts	584	78,571,943
	<u>6,434</u>	<u>207,816,650</u>
<i>Insured Loans to Builders and Home Owners</i>		
By the Corporation	13,448	114,953,763
(Transfers from Agents)		
By Agents of the Corporation	20,727	241,654,092
(Transfers to the Corporation)		
	<u>34,175</u>	<u>356,607,855</u>
	<u>166,781</u>	<u>\$771,894,894</u>

AGREEMENTS FOR SALE AND MORTGAGES ARISING FROM SALE

	<u>Balances December 31 1958</u>	
	<u>Number of Accounts Outstanding</u>	<u>Value</u>
<i>Agreements for Sale</i>	21,899	\$57,939,823
(Converted to Mortgages)		
<i>Mortgages</i>	9,826	44,852,885
(Converted from Agreements for Sale)		
	<u>31,725</u>	<u>\$102,792,708</u>

ENDED DECEMBER 31 1959
(with comparative figures for 1958)

Statement III

1959		1958	
	\$5,000,000		\$5,000,000
\$4,348,129		\$2,362,466	
<u>5,205,459</u>	<u>9,553,588</u>	<u>5,632,527</u>	<u>7,994,993</u>
	14,553,588		12,994,993
	<u>9,553,588</u>		<u>7,994,993</u>
	<u>\$5,000,000</u>		<u>\$5,000,000</u>

THE YEAR ENDED DECEMBER 31 1959

Statement IV

Balances December 31 1959

<i>Number of New Loans</i>	<i>Advances and Other Charges during 1959</i>	<i>Number of Loans Paid in Full</i>	<i>Payments Received during 1959</i>	<i>Number of Loans Outstanding</i>	<i>Value</i>
		<u>5,995</u>	<u>\$17,986,696</u>	<u>120,177</u>	<u>\$189,483,693</u>
47	\$49,766,286	2	5,929,260	234	132,175,702
	276,606	1	602,257	16	5,091,646
4	2,995,979	137	5,118,836	5,511	33,365,877
	6,317,520	1	8,665,863	583	76,223,600
<u>51</u>	<u>59,356,391</u>	<u>141</u>	<u>20,316,216</u>	<u>6,344</u>	<u>246,856,825</u>
25,335	267,571,656	126	19,164,552	38,657	366,588,323
	3,227,456				
167	20,633,593	317	5,409,317	20,577	253,650,912
	(3,227,456)				
<u>25,502</u>	<u>288,205,249</u>	<u>443</u>	<u>24,573,869</u>	<u>59,234</u>	<u>620,239,235</u>
<u>25,553</u>	<u>\$347,561,640</u>	<u>6,579</u>	<u>\$62,876,781</u>	<u>185,755</u>	<u>\$1,056,579,753</u>
Interest Accrued or Receivable					4,900,221
Total (including amounts in arrears three months and over \$238,258)					<u>\$1,061,479,974</u>

PROPERTIES FOR THE YEAR ENDED DECEMBER 31 1959 *Statement V*

Balances December 31 1959

<i>Number of New Accounts</i>	<i>Sales, Transfers and Other Charges during 1959</i>	<i>Number of Accounts Paid in Full</i>	<i>Payments Received during 1959</i>	<i>Number of Accounts Outstanding</i>	<i>Value</i>
	\$5,849,479	1,081	\$11,118,439	20,414	\$ 51,470,689
(404)	(1,200,174)				
1,474	15,397,546	257	8,212,672	11,447	53,237,933
404	1,200,174				
<u>1,474</u>	<u>\$21,247,025</u>	<u>1,338</u>	<u>\$19,331,111</u>	<u>31,861</u>	<u>\$104,708,622</u>
Accrued Interest					434,421
Total (including amounts in arrears three months and over \$11,785)					<u>\$105,143,043</u>

REAL ESTATE FOR THE YEAR

	<u>Balances</u> <u>December 31 1958</u>		<u>Additions and Transfers</u> <u>during 1959</u>	
	<u>Units</u>	<u>Amount</u>	<u>Units</u>	<u>Amount</u>
<i>Business Premises for Corporation Use</i>	27	\$ 3,544,007		\$ (2,527)
<i>Rental Housing</i>				
Warworkers' Houses	539	537,664		
Servicemen's Housing				
1947 and prior Programmes	595	1,785,000		
1948 and 1949 Programmes				
Single Houses	9,332	66,967,012		82,121
Multiple Dwellings	623	5,369,008		
Housing acquired from Limited-dividend Housing Companies				
Single Houses	251	1,940,841		158
Multiple Dwellings	1,101	8,490,032	96	755,843 ⁽¹⁾
Garages	232			
Housing at Pembroke, Gander, Renfrew and Sorel	505	6,448,933	50	102,514
	13,178	91,538,490	146	940,636
<i>Housing Acquired Under Guarantee Agreements</i>	7	65,588		
<i>Other Real Estate</i>				
Vacant Land		492,268		87,942
Miscellaneous	40	131,348	4	33,867
	40	623,616	4	121,809
	13,252	\$95,771,701	150	\$ 1,059,918

(1) Represents acquisition arising from mortgage default of a corporation.

CORPORATION'S SHARE IN THE JOINT OWNERSHIP OF REAL ESTATE UNDER

	<u>Balances</u> <u>December 31 1958</u>	<u>Additions and Transfers</u> <u>during 1959</u>
Rental Housing Projects	\$50,574,598	\$ 9,962,305
Land Assembly Projects	9,669,867	2,106,497
	<u>\$60,244,465</u>	<u>\$12,068,802</u>

Dispositions during 1959

<u>Units</u>	<u>Amount</u>
4	\$ 7,216
5	3,549
119	357,000
1,338	9,479,648
2	17,376
11	130,700
1,475	9,988,273
1	9,325
	64,985
6	49,751
6	114,736
1,486	\$10,119,550

Balances December 31 1959

<u>Units</u>	<u>Amount</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
23	\$ 3,534,264	\$ 743,089	\$ 2,791,175
534	534,115		534,115
476	1,428,000	558,137	869,863
7,994	57,569,485	11,910,792	45,658,693
623	5,369,008	1,491,570	3,877,438
249	1,923,623	547,302	1,376,321
1,197 } 232 }	9,245,875	2,511,592	6,734,283
544	6,420,747	517,819	5,902,928
11,849	82,490,853	17,537,212	64,953,641
6	56,263	8,958	47,305
	515,225		515,225
38	115,464	35,834	79,630
38	630,689	35,834	594,855
11,916	\$86,712,069	\$18,325,093	\$68,386,976

Statement VII

FEDERAL-PROVINCIAL AGREEMENTS FOR THE YEAR ENDED DECEMBER 31 1959

Dispositions during 1959

\$ 875,504
1,473,585
\$2,349,089

Balances December 31 1959

<u>Amount</u>	<u>Accumulated Recovery of Investments</u>	<u>Net Book Value</u>
\$59,661,399	\$952,357	\$58,709,042
10,302,779		10,302,779
\$69,964,178	\$952,357	\$69,011,821

ASSETS OF THE MORTGAGE INSURANCE, HOME IMPROVEMENT LOAN

		<i>Mortgage Insurance Fund</i>	
		1958	1959
Cash		\$ 213,171	\$ 1,925,494
Securities issued or guaranteed by the Govern- ment of Canada, at amortized cost		44,690,065	57,921,940
Approximate market values—			
Mortgage Insurance Fund . . .	\$49,721,700		
Home Improvement Loan			
Insurance Fund	1,362,300		
Rental Guarantee Fund . . .	2,405,400		
	<u>\$53,489,400</u>		
Accrued interest on securities		672,790	868,109
Mortgages		91,685	168,245
Accrued interest on mortgages		1,966	2,894
Real Estate		11,089	194,971
		<u>\$45,680,766</u>	<u>\$61,081,653</u>

RESERVES FOR MORTGAGE INSURANCE, HOME IMPROVEMENT LOAN INSURANCE

<i>Reserve for Mortgage Insurance</i>			
	<i>Total to December 31 1958</i>	<i>Year 1959</i>	<i>Total to December 31 1959</i>
Fees and premiums received	\$42,561,828	\$13,146,403	\$55,708,231
Net income from securities	3,062,443	2,241,217	5,303,660
Interest earned on mortgages	4,456	7,108	11,564
Rentals earned on real estate	64	575	639
Recoveries on claims paid			
Real estate acquired on claims paid	100,315	275,336	375,651
Profit on sales of real estate	11,288	5,848	17,136
Profit on sales of securities	40,687		40,687
	<u>45,781,081</u>	<u>15,676,487</u>	<u>61,457,568</u>
Deduct:			
Claims paid and legal expenses	100,315	275,336	375,651
Maintenance of real estate		264	264
Loss on sale of securities			
	<u>100,315</u>	<u>275,600</u>	<u>375,915</u>
	<u>\$45,680,766</u>	<u>\$15,400,887</u>	<u>\$61,081,653</u>

Mortgage insurance in force—approximately \$2,733,000,000
 Amount insured in respect of Home Improvement
 Loans—approximately \$ 8,026,000
 Current year's rentals covered by Rental Guarantee
 contracts—approximately \$ 15,000,000

Statement VIII

INSURANCE AND RENTAL GUARANTEE FUNDS DECEMBER 31 1959

(with comparative figures for 1958)

<i>Home Improvement Loan Insurance Fund</i>		<i>Rental Guarantee Fund</i>		<i>Totals</i>	
<u>1958</u>	<u>1959</u>	<u>1958</u>	<u>1959</u>	<u>1958</u>	<u>1959</u>
\$ 15,441	\$ 22,510	\$ 5,019	\$ 46,065	\$ 233,631	\$ 1,994,069
1,201,483	1,564,391	2,419,809	2,856,253	48,311,357	62,342,584
18,982	23,558	35,399	41,003	727,171	932,670
				91,685	168,245
				1,966	2,894
				11,089	194,971
<u>\$1,235,906</u>	<u>\$1,610,459</u>	<u>\$2,460,227</u>	<u>\$2,943,321</u>	<u>\$49,376,899</u>	<u>\$65,635,433</u>

AND RENTAL GUARANTEES FOR THE YEAR ENDED DECEMBER 31 1959

<i>Reserve for Home Improvement Loan Insurance</i>			<i>Reserve for Rental Guarantees</i>			<i>Totals</i>
<i>Total to December 31 1958</i>	<i>Year 1959</i>	<i>Total to December 31 1959</i>	<i>Total to December 31 1958</i>	<i>Year 1959</i>	<i>Total to December 31 1959</i>	<i>December 31 1959</i>
\$1,267,802	\$377,261	\$1,645,063	\$2,782,736	\$371,832	\$3,154,568	\$60,507,862
84,672	62,461	147,133	286,894	111,262	398,156	5,848,949
4,636	11,108	15,744				11,564
						639
						15,744
						375,651
1,873		1,873	1,662		1,662	17,136
1,358,983	450,830	1,809,813	3,071,292	483,094	3,554,386	44,222
123,077	76,277	199,354	609,165		609,165	1,184,170
						264
			1,900		1,900	1,900
123,077	76,277	199,354	611,065		611,065	1,186,334
<u>\$1,235,906</u>	<u>\$374,553</u>	<u>\$1,610,459</u>	<u>\$2,460,227</u>	<u>\$483,094</u>	<u>\$2,943,321</u>	<u>\$65,635,433</u>

Explanatory Notes to Financial Statements

ASSETS

Accounts Receivable

Instalment balances due from local housing authorities on Corporation's share of investment in Federal-Provincial housing projects, rentals due from housing tenants and sundry accounts owing by the Government of Canada, Atomic Energy of Canada Limited and others. The increase of \$69,500 over 1958 arises mainly from increased activity by housing authorities administering Federal-Provincial rental housing projects.

Expenditures Recoverable from Provincial Governments under Federal-Provincial Agreements

Provincial share of the cost of land assembly and rental housing projects currently recoverable from provincial governments, including an amount due from the Province of Newfoundland of approximately \$485,000, which has been accruing since October 1st, 1958.

Due from the Minister of Public Works on Current Account

Remainder of expenses recoverable for (a) research, investigations, planning and information services; (b) fees and expenses for supervision of construction of permanent married quarters and schools for the Department of National Defence; (c) other sundry items.

Loans under the Housing Acts

Loans administered by the Corporation or by approved lenders as agents of the Corporation, secured by mortgages or hypothecs, and accountable advances on agency loans.

Advances to Municipalities and Others on Deferred Repayment Terms

Balances recoverable for financing the cost of ground services under agreements made with municipalities including the Corporation's share of costs incurred jointly with provincial governments.

Corporation's Share in the Joint Ownership of Real Estate under Federal-Provincial Agreements

Comprises 75% of the unrecovered cost of rental housing projects, unsold lots in land assembly projects and uncollected balances owing on lots sold. Investment in rental housing projects is recoverable by annual instalments from local housing authorities, and cost of land assembly projects is recoverable from proceeds of lot sales.

Government Bonds Received as Security Deposits from Contractors and Others

These include bonds lodged in connection with construction contracts, deposits by rental guarantee mortgagors to cover the cost of replacing equipment and deposits in respect of sundry other guarantees.

Other Assets

Accountable advances to employees, inventories of cafeteria food-stuffs at major offices and special projects, fuel and maintenance stores, prepaid portion of grants in lieu of taxes to municipalities and prepaid group and other insurance premiums.

LIABILITIES

Accounts Payable and Accrued Charges

Unpaid progress estimates owing to contractors, accounts owing or accrued for operating purposes, interest accrued on security deposits received from contractors, balances owing to municipalities in connection with house sales and to provincial governments under Federal-Provincial Agreements.

Contractors' Holdbacks and Deposits from Contractors and Others

Payments withheld under terms of contracts for work performed, deposits from contractors to guarantee satisfactory completion of work, deposits from borrowers holding rental guarantee contracts to be used for repairs and replacements, security deposits from tenants and prepayments of rental guarantee premiums.

Employees' Retirement Fund

Deposits received from employees not eligible for admission to the Pension Fund. The Pension Fund which is established under authority of the CMHC Act is vested in trustees and is not reflected in these statements.

Reserve for Purchase Guarantees

Premiums collected from builders of Defence Workers' housing projects in return for guarantees to purchase houses unsold by them. There were 26 houses acquired, of which 20 have been sold without loss. The remaining 6 units are still in possession and are being rented.

Due to the Minister of Public Works for Profits (net) in respect of Loans, Guarantees and Other Commitments under the Housing Acts

- (a) Operating profits less losses on Corporation's share in Federal-Provincial projects. In 1958, net profits in this account were only \$17,000 but in 1959 they increased to \$214,737.
- (b) Profits less losses on disposal of properties acquired by foreclosure of joint loans and Corporation uninsured loans, and of properties acquired under guarantee to builders.

Borrowings from the Government of Canada

	Amount Borrowed in 1959	Amount Repaid in 1959
Borrowings for lending under the Housing Acts (\$ million)	307.0	29.8
Borrowings for acquisition and construction of Real Estate under Federal-Provincial Agreements (\$ million)	11.5	1.4
Borrowings for acquisition and construction of real estate (\$ million)	1.0	2.6

Surplus Arising from Valuation of Properties Acquired from the Government of Canada

Capitalized value of remaining real estate acquired without cost from Wartime Housing Limited in 1948, and of housing projects at Renfrew and Sorel transferred from the Department of Defence Production in the latter part of 1957.

Unrealized Profits on Real Estate Sold on Deferred Payment Terms

Each year a portion of these unrealized profits, based on the amount of principal recovered on account of sales price, is treated as earned or realized. Such realizations are credited to Reserve Fund when arising from sales of real estate acquired by the Corporation without cost, and to income when arising from sales of real estate acquired by capital expenditure.

INCOME

As net loan advances in 1959 were \$285,000,000 there was an increase in interest earned over 1958 of \$17,000,000. This resulted in a net increase of \$277,200,000 in borrowings to finance new loans, thereby increasing interest charges by \$12,500,000 over 1958.

Property rentals have declined by \$387,400 principally because 1,486 housing units were disposed of during 1959 while only 150 new ones were acquired.

Application fees for insured loans are collected when the loans are approved but are taken into revenue only as construction proceeds. This class of revenue decreased in 1959 below the 1958 total by \$600,600.

ADMINISTRATIVE EXPENDITURE

Administrative expenditure in 1959 was approximately \$216,000 less than in 1958.



House Grouping, Bayview, Toronto.

Photo Max Fleet

S T A T I S T I C S

- Tables*
- 1** Housing Units Started and Mortgage Loans Approved, 1935-1959.
 - 2** Housing Units Started and Mortgage Loans Approved, by Province, 1959.
 - 3** Housing Units Started, and Mortgage Loans Approved Under the Housing Act, by Locality, 1959.
 - 4** Federal-Provincial Projects Under the Housing Acts, by Locality, 1950-1959.
 - 5** Home Improvement Loans Approved, by Province, 1959.
 - 6** Summary of Construction Activities, by Programme, 1959.

TABLE 1**Housing Units Started and Mortgage Loans Approved, 1935-1959.**

Year	Housing Units Started ⁽¹⁾		Mortgage Loans Approved Under The Housing Acts		
	Total	Under The Housing Acts	Loans	Housing Units	Amount (\$000)
1935	33,900	72	73	97	514
1936	41,000	729	550	788	3,778
1937	45,100	1,797	1,311	1,817	7,524
1938	43,900	3,643	2,347	3,894	13,840
1939	48,900	5,947	4,315	5,973	19,142
1940	52,600	5,738	4,897	5,621	16,721
1941	51,200	4,466	4,370	4,323	13,508
1942	40,000	1,120	1,138	1,093	3,170
1943	36,100	1,731	1,721	1,721	5,454
1944	41,500	1,466	1,393	1,393	4,855
1945	55,181	4,737	4,431	4,980	21,143
1946	64,355	11,520	7,341	11,827	55,951
1947	74,263	10,190	8,886	10,933	53,230
1948	90,194	26,233	15,313	18,776	104,291
1949	90,509	29,250	18,047	25,166	140,830
1950	92,531	43,521	33,934	42,280	284,487
1951	68,579	21,439	14,916	19,283	123,621
1952	83,246	34,400	23,718	34,323	249,084
1953	102,409	39,989	26,514	38,614	290,526
1954	113,527	50,373	39,576	50,319	454,957
1955	138,276	65,377	56,149	65,340	615,325
1956	127,311	43,395	35,794	41,283	407,132
1957	122,340	47,468	39,974	48,933	493,939
1958	164,632	81,950	65,515	82,169	882,924
1959	141,345	62,333	49,171	57,310	626,167
TOTAL	1,962,898	598,884	461,394	578,256	4,892,113

TABLE 2**Housing Units Started and Mortgage Loans Approved, by Province, 1959.**

Province	Housing Units Started		Mortgage Loans Approved Under The Housing Acts		
	Total	Under The Housing Acts	Loans	Housing Units	Amount (\$000)
Newfoundland	1,553	253	237	237	2,691
Prince Edward Island	434	40	34	40	402
Nova Scotia	4,312	1,086	933	1,025	11,009
New Brunswick . . .	1,828	936	865	924	9,081
Quebec	36,265	10,779	7,969	9,505	99,159
Ontario	54,158	28,856	21,168	26,152	285,630
Manitoba	6,583	3,067	2,587	3,041	32,258
Saskatchewan	6,447	2,763	2,589	2,704	30,158
Alberta	13,074	9,138	7,784	8,483	96,741
British Columbia . .	16,691	5,415	4,978	5,172	58,714
Northwest Territories	—	—	11	11	137
Yukon Territory . . .	—	—	16	16	187
CANADA	141,345 ⁽¹⁾	62,333 ⁽¹⁾	49,171	57,310	626,167

⁽¹⁾ Excludes the Northwest and Yukon Territories.

**Housing Units Started, and Mortgage Loans Approved
Under the Housing Act, by Locality, 1959**

TABLE 3

Locality	Housing Units Started ⁽¹⁾	Mortgage Loans Approved					
		C.M.H.C.		Approved Lenders		Total	
		Units	Amount (\$000)	Units	Amount (\$000)	Units	Amount (\$000)
Metropolitan Areas							
Calgary	5,298	2,258	24,308	1,887	23,093	4,145	47,401
Edmonton	4,004	1,689	19,285	1,083	13,434	2,772	32,719
Halifax	1,509	52	581	155	1,515	207	2,096
Hamilton	3,784	916	9,641	936	10,289	1,852	19,930
London	2,456	517	5,734	596	6,262	1,113	11,996
Montreal	20,939	1,622	15,459	1,414	15,352	3,036	30,811
Ottawa-Hull	5,391	864	9,940	1,992	22,427	2,856	32,367
Quebec	2,280	535	5,784	477	4,994	1,012	10,778
Saint John	329	118	1,136	92	1,028	210	2,164
St. John's	271	60	719	74	919	134	1,638
Toronto	18,774	3,924	38,730	4,598	50,525	8,522	89,255
Vancouver	9,510	2,012	22,320	1,538	18,095	3,550	40,415
Victoria	1,249	185	2,084	301	3,541	486	5,625
Windsor	723	189	2,095	313	3,765	502	5,860
Winnipeg	5,332	1,599	17,045	1,008	10,910	2,607	27,955
Sub-Total	81,849	16,540	174,861	16,464	186,149	33,004	361,010
Major Urban Areas							
Brantford	334	77	853	93	1,033	170	1,886
Chicoutimi-Jonquière	786	444	4,107	77	821	521	4,928
Ft. William-Pt. Arthur	854	78	1,062	153	1,734	231	2,796
Guelph	433	214	2,249	91	1,026	305	3,275
Kingston	503	239	2,384	92	1,036	331	3,420
Kitchener	1,242	547	5,499	308	3,459	855	8,958
Moncton	564	284	2,753	140	1,372	424	4,125
Niagara Falls	402	158	1,762	122	1,392	280	3,154
Oshawa	801	289	3,294	211	2,273	500	5,567
Peterborough	438	194	1,929	171	1,797	365	3,726
Regina	1,574	374	4,174	432	5,295	806	9,469
St. Catharines	904	398	4,405	217	2,467	615	6,872
Sarnia	784	308	3,456	226	2,447	534	5,903
Saskatoon	1,629	771	8,431	305	3,657	1,076	12,088
Sault Ste. Marie	917	363	4,046	246	2,954	609	7,000
Shawinigan Falls	246	32	304	24	261	56	565
Sherbrooke	547	168	1,309	57	619	225	1,928
Sudbury	670	281	3,231	101	1,238	382	4,469
Sydney	378	31	325	8	92	39	417
Timmins	168	42	434	49	488	91	922
Trois-Rivières	525	228	1,821	74	773	302	2,594
Sub-Total	14,699	5,520	57,828	3,197	36,234	8,717	94,062
Other Localities	44,797	10,168	110,470	5,421	60,625	15,589	171,095
CANADA	141,345	32,228	343,159	25,082	283,008	57,310	626,167

(1) Excludes the Northwest and Yukon Territories.

Federal-Provincial Projects under

Locality	Land Assembly		Rental Housing	
	Number of Lots		Number of Housing Units	
	Authorized	Developed	Authorized	Completed
<i>Newfoundland</i>	766	766	584	448
Corner Brook . . .	212	212	—	—
St. John's	554	554	584	448
<i>Nova Scotia</i>	—	—	509	161
Halifax	—	—	509	161
<i>New Brunswick</i>	—	—	488	488
Oromocto	—	—	100	100
Saint John	—	—	388	388
<i>Quebec</i>	—	—	796	114
Montreal	—	—	796	114
<i>Ontario</i>	12,859	7,416	5,890	4,741
Amherstburg	31	31	25	25
Arnprior	43	43	25	25
Atikokan	1,140	665	—	—
Brantford	325	—	50	—
Brockville	352	352	96	96
Clinton	—	—	12	—
Cobourg	1,015	94	—	—
Cornwall	277	—	125	—
Delhi	—	—	12	—
Dunnville	—	—	25	25
Fort Erie	—	—	28	28
Fort William	—	—	174	174
Galt	200	—	50	50
Goderich	22	—	65	65
Guelph	214	214	70	70
Hamilton	523	437	1,123	1,028
Kenora	205	92	26	26
Kingston	244	244	71	—
Kitchener	674	674	—	—
Lindsay	54	54	20	20
London	1,057	1,051	100	—
Midland	42	42	30	30
Napanee	36	36	41	41
North Bay	50	50	54	54
Orillia	—	—	10	—
Ottawa	630	630	101	—
Owen Sound	38	38	40	40
Peterborough	2,170	462	—	—
Port Arthur	—	—	40	40
Prescott	—	—	60	60
Renfrew	175	47	43	43
St. Thomas	315	315	75	75
Sandwich East	969	—	—	—
Sarnia	1,035	955	120	—

Locality	Land Assembly		Rental Housing	
	Number of Lots		Number of Housing Units	
	Authorized	Developed	Authorized	Completed
Sault Ste. Marie	—	—	100	100
Smith's Falls	—	—	24	24
Stamford	57	57	70	70
Stratford	122	122	104	104
Sudbury	277	144	—	—
Thorold	127	127	—	—
Toronto	—	—	1,930	1,775
Trenton	115	115	25	25
Windsor	325	325	926	628
<i>Saskatchewan</i>	376	376	265	155
Moose Jaw	258	258	75	75
Prince Albert	—	—	30	30
Regina	—	—	110	—
Swift Current	118	118	—	—
Weyburn	—	—	50	50
<i>British Columbia</i>	789	789	443	443
Duncan	158	158	—	—
Kimberley	50	50	—	—
Prince George	177	177	—	—
Prince Rupert	—	—	50	50
Saanich	132	132	—	—
Trail	272	272	—	—
Vancouver	—	—	393	393
TOTAL	14,790	9,347	8,975	6,550

**Federal-Provincial Housing Authorized in Agreements
with the Nova Scotia Housing Commission, 1953-1959.**

Locality	Housing Units		Locality	Housing Units	
	Authorized	Completed		Authorized	Completed
Amherst	60	60	Port Hawkesbury	10	—
Antigonish	38	10	Stellarton	8	8
Digby	6	—	Sydney	268	133
Eastern Passage	8	—	Sydney Mines	22	—
Glace Bay	56	10	Trenton	10	10
Halifax	76	76	Truro	32	22
Halifax County	23	—	Wolfville	11	11
Kentville	11	11	Woodlawn	59	—
New Glasgow	10	10	Yarmouth	10	10
New Waterford	28	—			
North Sydney	30	24	TOTAL	776	395

TABLE 5**Home Improvement Loans Approved, by Province, 1959.**

<i>Province</i>	<i>Number of Loans</i>	<i>Number of Additional Housing Units</i>	<i>Amount (\$000)</i>
Newfoundland	607	15	800
Prince Edward Island . .	111	5	126
Nova Scotia	2,648	80	2,416
New Brunswick	752	28	818
Quebec	3,175	141	5,287
Ontario	12,464	229	12,030
Manitoba	1,374	13	1,636
Saskatchewan	1,607	32	1,769
Alberta	3,472	101	4,478
British Columbia . . .	6,289	70	8,090
Northwest Territories . .	20	1	36
Yukon Territory . . .	4	—	8
CANADA	32,523	715	37,494

TABLE 6**Summary of Construction Activities, by Programme, 1959.**

<i>Programme</i>	<i>Expenditures (\$000)</i>				
	<i>Housing</i>	<i>Land and Improvements</i>	<i>Schools</i>	<i>Other</i>	<i>Total</i>
<i>Corporation Construction</i>					
Federal-Provincial Projects	13,530	4,284	—	—	17,814
Rental Housing (Gander)	95	7	—	—	102
Rental Housing (Montreal North) .	82	—	—	—	82
Office Premises	—	—3	—	—	—3
<i>Construction for Other Agencies and Departments</i>					
Atomic Energy of Canada Limited	389	53	—	—	442
Department of National Defence .	9,712	2,587	2,445	180	14,924
Department of National Health and Welfare — Flood Control (Fort Qu'Appelle)	—	—	—	20	20

P u b l i c a t i o n s

Statistics

CANADIAN HOUSING STATISTICS — Provides statistical data related to the housing situation. Published quarterly.

Financing

NHA LOANS FOR HOMES — Explains the insured loan provisions for home ownership under the National Housing Act.

NHA HOME-OWNER LOANS BY CMHC — Explains lending by CMHC for home ownership.

NHA INSURED LOANS FOR RENTAL HOUSING — Outlines the financing of rental housing with insured loans.

NHA LIMITED-DIVIDEND LOANS — Explains lending by CMHC under the National Housing Act to assist in the construction of low-rental housing.

NHA CO-OPERATIVE HOUSING LOANS — Explains loans made under the National Housing Act to building co-operatives.

NHA HOME CONVERSION LOANS — Outlines insured loans available for alterations which add one or more family housing units to existing residential structures.

NHA FEDERAL-PROVINCIAL HOUSING AND LAND ASSEMBLY — Summarizes assistance available under the National Housing Act for house construction and land assembly undertaken jointly by Federal-Provincial partnerships.

NHA URBAN REDEVELOPMENT — Outlines Federal assistance available to municipalities undertaking redevelopment of blighted areas.

NHA HOME IMPROVEMENT LOANS — Explains the lending provisions for loans for home improvement and repairs.

Design

SMALL HOUSE DESIGNS — Catalogues house designs for which working drawings may be purchased from CMHC local offices at nominal cost.

CHOOSING A HOUSE DESIGN — Outlines for prospective owners considerations on choice of neighborhood, lot and type of house.

PRINCIPLES OF SMALL HOUSE GROUPING — Deals with the arrangement of houses in groups.

NHA — A MINIMUM HOUSE — Describes briefly the specifications of a minimum house designed for rural areas without municipal services, which can be built with financial assistance under the National Housing Act.

Construction

HOUSING STANDARDS — Sets out the minimum building standards prescribed by CMHC for houses built under the National Housing Act. Prepared and published by the Division of Building Research, National Research Council.

APARTMENT BUILDING STANDARDS — Sets out the minimum standards prescribed for apartment buildings financed with NHA loans.

DICTIONARY OF HOUSE-BUILDING TERMS — Defines words used throughout the house-building industry.

GOOD BUILDING PRACTICE — A Guide to Nailing — Illustrates sound nailing practices for wood frame house construction.

NHA — WHAT YOU SHOULD KNOW ABOUT THE INSPECTION OF YOUR HOUSE — Explains the extent and the limitations of compliance inspections on NHA-financed housing.

General

HABITAT — Publishes articles on all phases of housing and the housing environment.

NHA HOUSING FOR THE ELDERLY — Outlines the way in which NHA limited-dividend housing may provide accommodation for old people.

A LOT TO BE PROUD OF — Deals with maintenance of lawns, trees, and shrubs.

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**Alternate Member of the Executive Committee

Central Mortgage and Housing Corporation Offices

HEAD OFFICE, OTTAWA, CANADA

Regional Offices

Halifax
Montreal
Toronto
Winnipeg
Vancouver

Local Offices

Fredericton, Gander, Halifax, Moncton, Saint John, St. John's,
Chicoutimi, Montreal, Quebec, Rimouski, St. Lambert,
Sherbrooke, Trois-Rivières, Val d'Or.
Barrie, Fort William, Hamilton, Kingston, Kitchener, London,
North Bay, Oshawa, Ottawa, Peterborough, St. Catharines, Sarnia,
Sault Ste. Marie, Scarborough, Sudbury, Toronto, Windsor.
Brandon, Calgary, Edmonton, Lethbridge, Red Deer, Regina,
Saskatoon, Winnipeg.
Kelowna, Nanaimo, New Westminster, Prince George, Trail,
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CENTRAL MORTGAGE AND HOUSING CORPORATION

1960

**A N N U A L
R E P O R T**

to the

Board of Directors and the Public



ANNUAL REPORT

Government
Publications

CENTRAL MORTGAGE AND HOUSING CORPORATION

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IN BRIEF OUTLINE

New housing starts totalled 108,858, less than in 1959 when starts numbered 141,345.

Construction was completed on 123,757 dwellings, a decline from 1959 when 145,671 units were completed.

Construction on 65,773 dwellings was carried over into 1961.

Expenditures on new residential construction totalled \$1,489 million compared with \$1,752 million in 1959.

Approved lenders made commitments under the Act for \$231.9 million for 21,156 dwellings and the Corporation approved loans for \$161.1 million for 15,454 dwellings.

Three Federal grants totalling \$5.8 million were approved to aid redevelopment projects. Public housing projects comprising 698 dwellings were approved.

In December provision was made for NHA loans for university housing projects, for municipal sewage treatment projects and for the acquisition by Federal-Provincial partnerships of existing buildings in urban renewal areas for use as public housing projects.

Amendments to the National Housing Act also provided for higher loan ratios and a longer repayment period for insured loans. Higher statutory limits were set for the aggregate of insured loans, the amount available for direct lending purposes, urban redevelopment assistance and Home Improvement Loan insurance liability.

The National Housing Loan Regulations were amended to extend Home Improvement Loans to rental properties, to permit higher maximum loans and an additional amount where a fallout shelter forms part of the plans. Provision was made to prevent discrimination by house builders and owners of rental property.

Central Mortgage and Housing Corporation is a Federal Crown corporation incorporated by Act of Parliament in 1945 (R.S.C. 1952, c.46). Under this Act, the National Housing Act, 1954, and earlier Housing Acts, the Corporation is empowered to:

CENTRAL MORTGAGE AND HOUSING CORPORATION

Insure mortgage loans on new housing made by banks, life insurance, trust and loan companies and other approved lenders;

Make mortgage loans to borrowers unable to obtain insured loans from private NHA lenders and make mortgage loans to limited-dividend housing companies on low-rental housing projects;

Make loans to universities to assist in providing accommodation for resident students;

Make loans to municipalities or municipal sewerage corporations to assist in the construction or expansion of sewage treatment projects for the control of water and soil pollution;

Provide insurance to banks on loans made for home improvement and guarantee returns from moderate-rental housing projects built by life insurance companies and private investors;

Buy and sell insured mortgage loans, make loans to mortgage lenders on the security of mortgages and purchase the debentures of lending institutions;

On behalf of the Federal Government, join with municipalities in the acquisition and clearance of areas for urban redevelopment;

Undertake jointly with provincial governments the development of serviced land for residential purposes, the construction of new housing projects and the acquisition of existing buildings in urban renewal areas and their improvement or conversion for public housing;

Construct, own and manage housing projects on its own account and on behalf of Federal Government departments and agencies;

Encourage the development of better housing and sound community planning and, in carrying out this responsibility, to undertake or arrange for studies and research on the technical, economic and social aspects of housing.

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CENTRAL MORTGAGE AND HOUSING CORPORATION

March 11, 1961

Honourable David J. Walker,
Minister of Public Works,
Ottawa, Canada.

Dear Mr. Walker:

On behalf of the Board of Directors, I have the honour to submit to you the 15th annual report of Central Mortgage and Housing Corporation and a statement of accounts for the year ended December 31, 1960.

Yours very truly,

A handwritten signature in cursive script that reads "Stewart Bates". The signature is written in dark ink and is positioned above a horizontal line.

President.



1 THE DEMAND FACTOR IN 1960

For the first time in a decade and a half, new housing in 1960 was subject for a brief period to the unfamiliar constraint of demand.

✓ A powerful current of demand for new housing characterized the 'fifties'. This had its source in the rapid growth of urban population, in the expansion of incomes, and was amplified by the comparatively favourable borrowing terms available under the National Housing Act. Most of the year-to-year changes in house production in the 'fifties' reflected variations in the supply of loanable funds under NHA; this lending, in turn, was dominated by capital market conditions which determined the amount of such mortgage funds private lenders were prepared to invest in Housing Act loans, on which the maximum rate of return was set by the Government.

The actual volume of lending under the Act, and the consequent volume of house building, were determined largely by what lenders would invest at the stipulated interest rate, rather than by the demand for loans. Demand remained half-concealed therefore, its full latent strength unknown, its dynamic trend hidden, as long as the available mortgage money supplies were insufficient to articulate the whole of it.

But while the course of demand was not to be traced by reference to the rate of new house building, developments were under way late in the decade to diminish its strength and to bring it more into line with the available supplies of mortgage money. The Government itself, which had played a moderate role as a residual lender under

the National Housing Act until 1957, began in the Fall of that year to supplement the private supplies of NHA mortgage money on an unprecedented scale. This contributed greatly to the production of new housing in 1957, 1958 and 1959. At the same time in 1958 and 1959 and largely as a result of declining immigration, the rate of increase in the number of families in Canada fell to the lowest point since World War II; the advance of per capita income was also somewhat abated.

Improved housing conditions arising out of added production and the diminished rate of urban population growth, together with the lower rate of increase in incomes, blunted the edge of demand.

Whatever loss the undisclosed reserve of demand may have suffered after the mid-1950's, it did not become apparent, however, until later. For at the very end of the decade, the chronic shortage of NHA funds, which had become the characteristic mark of the house-building industry in the 'fifties', assumed its most acute form.

In the last quarter of 1959, the approved lenders virtually withdrew from the NHA field and the Corporation was the only substantial source of National Housing Act funds for a short period. By the end of October, the Corporation itself had made enough loan commitments to exhaust its Parliamentary appropriation and had to stop accepting applications.

The maximum interest rate on insured loans was raised in December, 1959 to 6¾ % from 6 % to encourage the approved lenders, particularly the life insurance and trust and loan companies, to lend in more substantial volume. The life insurance and trust and loan companies responded to the higher interest rate but the banks, constrained by the Bank Act's 6 % limit on loan interest rates, did not resume lending and the Corporation was unable to do so until additional funds were provided by Parliament for mortgage lending purposes.

The rate of housing starts in the first half of 1960 was therefore very low. This in itself, however, could not be considered as a reflection of diminished demand, since it was largely attributable to the shortage of NHA funds. But under demand conditions of sufficiently greater strength, the confinement of the NHA market would have

resulted in a compensating expansion of that part of the new housing programme financed outside of the National Housing Act.

No such expansion took place. Moreover, when new funds had been voted by Parliament and the Corporation again began in April to accept loan applications — although on a highly selective basis — demand for these loans did not meet expectations. Later in the year, loans by the Corporation were extended to a larger segment of the market and an increase in lending took place. But the pressure of demand for these loans was not comparable to that experienced in the previous three years. Finally, throughout the year, the number of completed and unoccupied dwellings, while not large in itself, ran consistently higher than in 1959 and suggested a diminution in the amount of unsatisfied demand for NHA funds.

After mid-year, largely as a result of growing participation under the Act by the life insurance and trust and loan companies, the rate of starts increased and although the total for 1960 was slightly under 110,000, the rate at the year-end was substantially higher than this. Thus, while there were some signs of a reduction in the amount of excess demand for NHA mortgage funds during the year the demand for new housing was not as low as the aggregate number of starts for 1960 might suggest.

Besides the improvement in housing conditions and the abated pressure of population and income growth, other factors influenced the housing situation in 1960.

The check on inflationary tendencies caused many, who might have bought as a hedge or to make capital gains, to mark time. High interest rates under the National Housing Act and on conventional loans limited the number of people able to enter the market for new housing and led also to a deferment of purchases by many who may have hoped for a decline in interest rates. In the conventional mortgage field, these expectations were realized in part when interest rates declined slightly in the Fall of the year.

The decade of the 'fifties' came to a close and the 'sixties' were ushered in, therefore, during a period of extreme shortage of NHA mortgage funds. But as 1960 progressed and as mortgage funds became more readily available, house building did

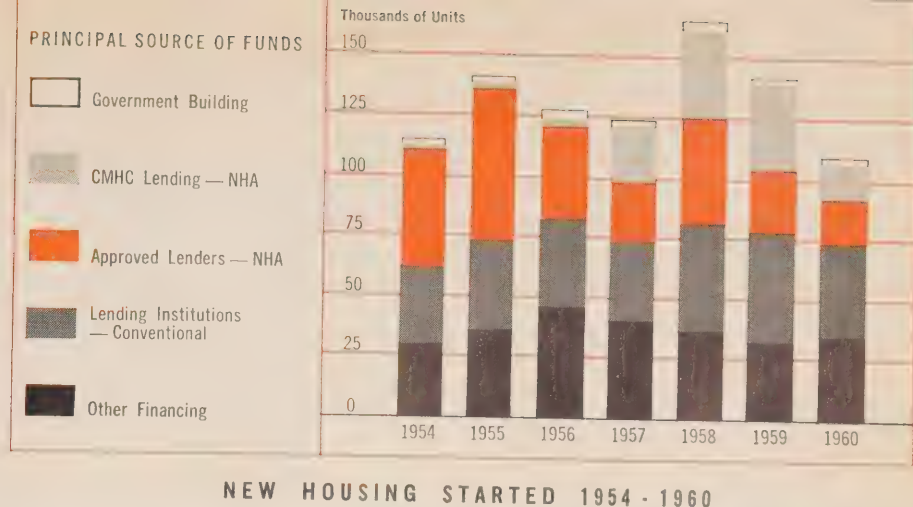
not respond with vigour and, while the rate of housing starts did rise from the depressed level of the first half of the year, demand failed to reveal its accustomed strength.

Until this condition became apparent, it was not possible to consider any substantial easing of borrowing terms under the National Housing Act, particularly those dealing with the size of loans available and their relation to property values. Any major improvement in borrowing terms at an earlier date would merely have added to demand for funds under the Act at a time when there was already more demand than was being met by approved lenders. The evidence of moderating demand in 1960, however, changed this situation and made it more feasible to contemplate substantial revisions to NHA borrowing terms, should such revisions be considered desirable on housing and employment grounds.

Amendments to the housing legislation were passed by Parliament and received Royal Assent in December, 1960. Amongst other things, the amendments altered statutory loan ratios, providing higher loans and lower down payments. By Regulation, the maximum amounts of loan that could be approved for various kinds of housing were also raised. The changes were designed to increase demand for new housing.

The comparatively low level of demand revealed in 1960, which was attributable in part to improvement in the housing of the average Canadian family over the past few years, does not mean that everyone in Canada is satisfactorily housed. The preamble to the National Housing Act, 1954, describes its purpose as the improvement of housing and living conditions. It does not prescribe any definite terminal objective to this process of improvement. At any particular time, there is probably a limit to the number of dwellings that a population needs or can effectively use. No limit can be assigned, however, to the quality of the accommodation, its beauty, technical sophistication and environmental fitness.

As Canada becomes more able to meet the problem of affording all its people enough plain space — bearing in mind that the basic needs of the least fortunate may always require special treatment — our national aims may be raised to more challenging objectives.



2 CANADA'S HOUSING IN 1960

1960 was a year of transition in housing. After fifteen years of active, unbroken demand, the market for new residential construction experienced a brief interruption. It was a lull that would precede an anticipated period of marked improvement throughout most of the decade ahead.

Construction was started on 108,858 dwellings, 23% less than in 1959 when 141,345 housing starts were made. The annual rate of starts declined at the beginning of the year. There was some improvement in June and July but a further decline in August. From then on, however, there was a steady upward movement so that by December starts again reached the January level. The greater activity in the latter part of 1960 was stimulated by a more plentiful supply of mortgage funds and by an easing of earlier restrictions under Government lending policy. The carryover of units under construction into 1961 was 65,773.

Much of the decline in the year's aggregate housing starts was experienced in the National Housing Act sector. These totalled 33,723, compared with 62,333 in 1959. Although there was a very marked increase in NHA housing starts financed by life insurance companies and trust and loan companies this was not sufficient to offset the virtual withdrawal of the banks and the smaller number financed by the Corporation as a residual lender.

The number of new houses built with conventional financing by institutional lenders was also lower than in 1959. These were 40,116 in 1960 compared with 45,198 units in the previous year. The percentage of total starts, however, was higher at 37% against 32%.

There was a slight increase in housing built with financing from other sources, including personal funds, loans from individuals or other non-institutional lenders. Starts in this category in 1960 numbered by 35,019, an increase of 4% over the 33,814 started in 1959.

The decline in starts was proportionately greater in dwellings constructed for owner occupancy, down 26%, than for rental accommodation, which decreased by 17%.

Expenditures on new housing in 1960 totalled \$1,489 million, less than in 1959 when the amount was \$1,752 million.

Aided by the carryover of 82,000 dwellings, completions exceeded the 1959 rate during the first few months of 1960. But lacking the support of a substantial number of starts completions began to fall off and, throughout the remainder of the year, lagged behind 1959. In all, 123,757 dwellings were completed in 1960, 15% fewer than the 145,671 reported for 1959.

Mortgage lending under the National Housing Act is dependent in large measure upon the volume of funds invested by approved lenders in insured loans. While the December, 1959 increase to 6¾% in the NHA maximum rate of interest prompted an immediate response from the life insurance and trust and loan companies their lending on a monthly basis did not reach the level of the previous year until September. The attractiveness of the NHA yield increased in relation to returns on other types of investments, including conventional mortgages, and the participation of these lenders in insured loans turned up sharply. Lending by the life insurance and trust and loan companies, which at the end of July was about 12% below that of the corresponding seven months of 1959, moved up to increase by 92% for the year. Commitments totalled \$232.2 million for 21,111 dwellings, compared with commitments of \$120 million for 11,015 dwellings in 1959. The chartered banks, however, made loans for only 45 dwellings. In 1959, the banks made loans for 14,067 dwellings for \$163 million.

In 1960 Government fiscal policy required that commitments from public funds should be considerably less than the \$343 million provided in 1959. When the statutory limit was raised on March 31 by \$500 million to enable the Corporation

to resume direct lending, the Government made it known that not all of this amount would be committed in 1960.

As a result of this decision, made in the early part of the year, lending by the Corporation declined by 52% from the total for 1959. Commitments to the value of \$161.1 million were made for 15,454 dwellings, as compared with \$343 million for 32,228 units in 1959.

Loan requirements were so designed that commitments from the restricted amount of public funds would meet the most urgent needs. Residual loans were at first available to home-owner applicants only and an income ceiling was imposed. As demand in this sector was satisfied, loans were made on a broader basis by raising the income ceiling and eventually removing it. Merchant builders, who in some areas were carrying substantial inventories early in the year, became eligible for non-speculative loans on pre-sold houses in September, and in October for two additional loans for display houses.

Corporation loans to limited-dividend companies sponsored by entrepreneurs were also subject to restrictive conditions during some months of the year. In the Fall, as a part of the winter housing programme, the interest rate on these loans was lowered and the restrictions eased.

In December, the National Housing Act was amended to provide more favourable borrowing terms to assist a broader band of borrowers to undertake home financing. Amendments included an increase in loan amounts through higher loan ratios and higher maximum loans, and a longer repayment period. ✓

Although the impact of the amendments was not evident in substantial measure in 1960, the new terms gave some impetus to year-end activity.

Some liquidity for insured mortgages is provided through the sale of insured mortgage loans on the secondary market. Sales in 1960, amounting to \$20.7 million, showed a marked decline from the \$42.5 million in 1959. In most years the banks had originated more than 60% of sales and since 1956 initiated annual transactions in excess of \$32 million. In 1960 the banks made sales valued at \$5.2 million.

The cost of the average house financed under the National Housing Act in 1960 at \$14,380 was slightly lower than the 1959 average of \$14,516. The size of the average house was greater than in 1959 but there was some decline in cost per square foot and land costs were also down slightly.

Although there was some decline in the level of house construction in 1960 there was no lessening of activity in other areas of the housing field. By the end of 1960 the number of municipalities undertaking studies with Federal assistance to examine their development patterns and the need for renewal included virtually all the older major cities. Redevelopment has followed the recommendations made in a number of completed studies and in 1960 the Federal Government continued to give financial assistance to municipalities undertaking renewal programmes.

In amending the National Housing Act in December, Parliament made provision for assistance in two areas of activity of growing concern to national development. ✓

To assist universities in providing living accommodation for an ever-increasing number of resident students, NHA financing for university housing projects was introduced. This provides for long-term, low-interest loans by the Corporation on dormitory-type accommodation. Response by the universities was immediate and resulted before the year-end in many enquiries and a number of applications.

The serious problem faced by many growing municipalities in arresting soil and water pollution has long been recognized. Federal Government assistance was therefore made available in the form of Corporation loans to municipalities for the construction or expansion of sewage treatment projects. Loans may be up to two-thirds of cost and are repayable over a period of up to 50 years. The arrangement calls for a partial debt cancellation in respect of work completed by March 31, 1963.

Recognizing that there are many buildings in redevelopment areas which might be rehabilitated, the Government enabled Federal-Provincial partnerships to purchase existing buildings to be used for housing purposes. The new approach is expected to provide some accommodation in public housing projects at a cost less than that of new construction. It will also encourage conservation measures which will arrest deterioration before complete obsolescence makes clearance the sole solution.

The Canadian Housing Design Council and the Community Planning Association of Canada, which receive support from the Corporation, continued their work of advancing the cause of improvement in the residential environment. A number of long-range research projects, initiated or supported by the Corporation were concluded and the results published. These included the *Report of the Royal Architectural Committee of Inquiry into the Residential Environment* and a *Catalogue of House Building Construction Systems*. Investigations into cost reducing techniques and the use of new materials for house building continued.

THE NATIONAL HOUSING ACT

On March 31, the National Housing Act was amended as follows:

The aggregate amount of all loans for which insurance policies may be written under the loan insurance provisions was increased to \$6 billion from \$4 billion.

NHA
Section 13

The amount that may be advanced to the Corporation out of the Consolidated Revenue Fund for direct lending and related purposes was increased to \$1.5 billion from \$1 billion.

NHA
Section 22

On December 2, the Act was further amended as follows:

Provision was made for the establishment of an interest rate to be charged on loans for university housing projects and municipal sewage treatment projects of not more than one-half of one per cent above the long term Federal borrowing rate.

NHA
Section 4

The loan ratio for home-owner loans was increased to 95% from 90% of the first \$12,000 of lending value.

NHA
Section 7

The loan ratio for rental housing was increased to 85% of lending value from 80%.

The period for repayment of insured loans was increased to a maximum of 35 years.

The statutory limit on contributions out of the Consolidated Revenue Fund to assist in urban redevelopment was raised to \$50 million from \$25 million.

NHA
Section 23

The maximum amount of a Home Improvement Loan in respect of any property was redefined to include the unpaid portion of any previous loans made on that property only; previously, the maximum included the unpaid portion of all Home Improvement Loans made to the borrower.

NHA
Section 24

The amount of Home Improvement Loans that may be guaranteed was increased to an aggregate of \$500 million from \$200 million.

NHA
Section 26

Under Federal-Provincial agreements, the Corporation may undertake jointly with the government of a province or its agent the acquisition, improvement and conversion, for housing purposes, of existing buildings.

NHA
Section 36

The Corporation was authorized to make loans on university housing projects.

NHA
Section 36B
NHA
Section 36F

The Corporation was authorized to make loans to assist municipalities in the construction or expansion of sewage treatment projects.

The main amendments to the National Housing Loan Regulations were as follows:

The maximum loan by Regulation was increased by up to \$500 where a fallout shelter is included in the plans for new housing for home ownership (Order in Council P.C. 1960-1063, August 4, 1960).

Effective October 1, 1960, the interest rate on loans made under Section 16 was reduced to 5½% from 5% (Order in Council P.C. 1960-1319, September 23, 1960).

Loans under the Home Improvement Loan provisions of the Act were extended to rental properties, including apartments. The installation and repair of elevators and the installation of water softeners were added to the list of improvements for which loans may be used (Order in Council P.C. 1960-1421, October 18, 1960).

Measures were taken to provide that in selling or leasing dwellings financed under the Act there will not be discrimination against any person by reason of race, colour, religion or origin. The mortgage forms were revised to include these provisions (Orders in Council P.C. 1960-1523 and 1524, November 8, 1960).

The maximum loan for dwellings to be occupied by owners was increased from \$12,800 to \$14,200 for single-family units with three bedrooms or less and to \$14,900 for those with more than three bedrooms. Corresponding adjustments were also made for other types of dwellings (Order in Council P.C. 1960-1649, December 6, 1960).

The loan amount for university housing projects was set at a maximum of \$7,000 for each student accommodated in the project (Order in Council P.C. 1960-1793, December 31, 1960).





REPORT OF OPERATIONS

In sharp contrast to the experience of the preceding three years, the life insurance and trust and loan companies in 1960 provided the major share of National Housing Act mortgage funds.

Together, these lenders made loans for \$232.2 million, or 59% of total commitments. The Corporation provided \$161.1 million from public funds and the chartered banks made insured mortgage loans of less than \$500,000.

In all, 37,308 dwellings were financed under the Act in 1960. Of this total, 36,610 were built with mortgage loans — 21,156 by approved lenders and 15,454 by public funds. Federal-Provincial partnership arrangements accounted for 698 dwellings. In 1959, 58,082 units were financed under the Act (Tables 2 and 3)¹.

Insured Loans by Approved Lenders

The life insurance and trust and loan companies increased their insured lending over 1959 by 92%. All of the increase took place in the last four months of the year. Earlier, the NHA activity of these lenders was well below that of the corresponding period of 1959. At about mid-year, however, there was a marked easing in the supply of mortgage credit, the maximum NHA interest rate of 6¾% became increasingly competitive and investment by these companies in insured loans began to move above that of the previous year. By the year-end, the life insurance and trust and loan companies had approved loans for 21,111 dwellings compared with 11,015 in 1959.

The chartered banks made loans for only 45 dwellings; in 1959, they financed 14,067 units under the National Housing Act.

The total of 21,156 dwellings financed by approved lenders in 1960 fell short of the 1959 total of 25,082 by 16% (CHS - Table 24)².

More than three-quarters of the dwellings financed by approved lenders in 1960 were for owner occupancy — 12,966 to be built by merchant builders for sale to owners and 2,594 by owner applicants who made their own construction arrangements. Loans for rental accommodation made possible 5,596 units. In 1959 approved lenders made loans to merchant builders for 15,376 dwellings, to owner applicants for 6,681 and to rental investors for 3,025 units.

¹ All references to "Tables" are to tables in this report. Because loans precede starts by several weeks, loans made late in one year may not produce starts until the next. Starts and loans figures on an annual basis are therefore not identical.

² All references to "CHS" are to Canadian Housing Statistics, 4th Quarter, 1960. Cancellations of 1959 loans exceeded 1960 commitments by \$347,000.

Loans by the Corporation

Early in 1960, the Government announced that there would be a substantial reduction from the levels of the preceding three years in the volume of mortgage lending from public funds. When an additional \$500 million was voted for Corporation loans in March, the Government made it known that between \$150 and \$175 million would be available for 1960 commitments. To ensure that the lesser amount would be used to meet the most urgent needs, certain eligibility restrictions were imposed on applicants for Corporation loans. The situation was under constant review and, as the year progressed, some easing of restrictions was introduced.

Under these conditions, the Corporation made mortgage loans for 15,454 dwellings including 13,861 to be occupied by home owners and 1,591 for low-rental in limited-dividend projects. In 1959, when commitments from public funds exceeded those of approved lenders, the Corporation made loans for 27,747 dwellings for owner occupancy and 4,518 for rental in limited-dividend developments.

CORPORATION LOANS TO OWNERS AND BUILDERS

NHA
Section 40

Corporation loans to owner applicants and to builders are intended to supplement lending by approved lenders under the Act when this falls short of demand. Loans were made to applicants who were refused financing by approved lenders and who qualified under the requirements designed to meet changing conditions encountered during the year.

To permit a larger number of lower-income families to enter the market, loans were available for the greater part of the year to home owners only and then within specified income ceilings. In April, when the Corporation commenced accepting 1960 applications, the income maximum was \$5,000 with upward adjustments for family size to \$5,600.

The immediate response even on this restricted basis was strong but the subsequent pace of activity indicated that a broader band of applicants might be served. In September the income limitation was raised to \$7,000, with adjustments to \$7,600. Merchant builders also became eligible for loans on homes for which they had already received commitments from purchasers whose incomes met these requirements. Substantial builders' inventories cautioned against the provision of speculative loans.

About mid-year there was evidence of some abatement in demand. To meet this new situation and to provide additional employment opportunities during the winter months, eligibility requirements for Corporation loans were again revised in October. The income ceiling was removed and builders became eligible for loans on two display houses that were not subject to the pre-sale condition.

Corporations loans were made to home-owner applicants for 10,168 dwellings and to merchant builders for 3,693 dwellings. Included in the home-owner approvals were 560 for veterans building under Part II of the Veterans' Land Act and 22 dwellings in co-operatives. In 1959, loans to owner applicants financed 14,559 homes and to builders 13,188.

LOANS TO LIMITED-DIVIDEND HOUSING COMPANIES

NHA
Section 16

Loans to limited-dividend companies sponsored by entrepreneurs were also subject to restrictive conditions during a part of 1960. In April, the ratio for these loans was reduced from 90% of lending value to 85% and projects were limited to a maximum of 100 units. The number of bedrooms per unit could not average less than 2½. Projects initiated by municipalities or charitable organizations were not subject to these conditions.



Limited-Dividend Housing for Elderly Persons, Toronto.

In October, as a part of the winter housing programme, the more favourable terms were re-instated, the loan ratio reverting to 90% of lending value and the maximum number of units to 200. The required minimum average bedroom count was reduced to $1\frac{1}{2}$. In addition, the interest rate applicable to limited-dividend projects was reduced to $5\frac{1}{8}\%$ from $5\frac{7}{8}\%$. The changes resulted in the submission of a very substantial number of applications before the year-end.

Over the year, limited-dividend loans were approved for 1,591 dwellings — 680 for elderly persons and 911 for lower income families. In 1959, 4,518 dwellings were financed — 969 for elderly persons and 3,549 for lower income families. Municipalities and charitable organizations initiated projects involving 692 units while entrepreneurs were responsible for the remainder. The established policy of directing limited-dividend housing to the lower third income band was maintained in 1960.

Characteristics of NHA Borrowers and Houses

The age of the average owner of a house financed under the National Housing Act in 1960 was 33 years, 34 years in 1959. There were one or two children in the families of 50% of borrowers, while 27% of the families had three or more children. The cost of the average single-family house financed under NHA in 1960 was an estimated \$14,380. In addition the borrower paid a mortgage insurance fee of \$227 that was incorporated in the mortgage payments. In 1959 the average estimated cost of single-family dwellings was \$14,516 and the average mortgage insurance fee was \$228. The average down payment on the house was \$3,033 in 1960 compared with \$3,094 in 1959. Monthly payments of principal, interest and municipal taxes came to \$100 and represented 21.2% of the borrower's average annual income. Monthly payments of \$96 in 1959 took 20.1% of the average borrower's income.

Some 42% of all NHA borrowers had incomes below \$5,000, 49% had incomes between \$5,000 and \$7,999 while the remainder had incomes of \$8,000 or more. The average income of all NHA borrowers was \$5,620 compared with \$5,716 in 1959.

Borrowers obtaining loans from approved lenders had an average income of \$6,460 and built or bought a house costing \$16,070. Corporation borrowers had an average income of \$5,156 while the average cost of the homes financed was \$13,457.

Construction costs of houses for which loans were approved under the Act in 1960 declined for the first year since the war. The decline from 1959 to 1960 was from \$10.78 per square foot to \$10.60 per square foot. Land costs were also down, from \$2,533 to \$2,473. These lower costs more than offset an increase in the average size of dwellings from 1,108 to 1,125 square feet. The reduction in costs in 1960 was associated in part with a decline in building material prices during the year but perhaps of greater importance was the increased competitiveness of the housing market.

Loans for University Housing Projects

NHA
Section 36B

Part VIA of the National Housing Act as amended on December 2, 1960 provides for Corporation loans to universities to assist in the construction of living accommodation for resident students. Loans may be for new construction or for the conversion of existing buildings, with a loan amount of up to 90% of cost of the project and a repayment term of up to 50 years. The rate of interest was $5\frac{1}{8}\%$ in 1960. Total amount of loans is limited by statute to \$50 million.

Six preliminary applications and two formal applications were received by the year-end.

Loans for Municipal Sewage Treatment Projects

NHA
Section 36F

Part VIB of the National Housing Act as amended December 2, 1960 authorizes the Corporation to make loans to municipalities or municipal sewerage corporations to assist in the construction of sewage treatment projects for the control of water and soil pollution. The project may consist of a trunk sewage collector system, a central treatment plant, or both, for the collection and treatment of sewage from one or more municipalities, and includes the expansion of an existing plant or existing trunk collector sewer.

Loans may be for up to two-thirds of the cost of the project, for a term of up to 50 years at an interest rate, in 1960, of $5\frac{1}{8}\%$. The legislation provides that 25% of the debt in respect of work put in place on or before March 31, 1963, may be forgiven, together with interest paid or accrued. The total amount of loans is limited to \$100 million.

During December more than 60 municipalities made enquiries regarding loans and three applications were received by the Corporation.

National Housing Act Mortgages Outstanding

Mortgage debt arising out of various operations under the Housing Acts was outstanding in the amount of \$4,100 million at the end of 1960, compared with \$3,800 million at the end of 1959. The unpaid balance of mortgage debt contracted under the Housing Acts represented about one-third of the total Canadian mortgage debt outstanding on all types of property.

At the end of 1960, the Corporation's mortgage holdings amounted to \$1,400 million, again representing the largest share of mortgage debt under the Housing Acts held by a single institution. The life insurance companies together held \$1,373 million and the chartered banks \$971 million.

Of the total mortgage debt outstanding, \$636 million was under the joint lending system of the pre-1954 Housing Acts in which the lending institutions

provided approximately three-quarters of the loan and the Federal Government the remainder. The lending institutions' share of the total outstanding amounted to \$463 million while the Corporation held \$173 million as the Government's share.

Under provisions for guarantee of losses sustained by lenders on these loans, the Government, through the Corporation, had a contingent liability of \$60 million at the end of 1960. Four joint loan foreclosures were completed during the year. Arrears of three months or more amounted to \$29,600 at year-end.

Of the total mortgage debt outstanding \$3,097 million was covered by the loan insurance provisions of the 1954 Housing Act. Some \$2,057 million was held by approved lenders, \$856 million by the Corporation in residual loans and the remainder was held by purchasers of insured loans and administered by approved lenders.

The mortgage insurance settlement terms of the Act provide for payment on the principal outstanding, certain interest charges and other expenditures incurred in the acquisition and transfer of a property to the Fund. Assets of the Mortgage Insurance Fund amounted to \$72.6 million at the end of 1960.

During the year 128 claims were paid by the Mortgage Insurance Fund and 58 were in the process of settlement at the end of the year. Fifty-three of the claims were on approved lenders' loans and 133 on Corporation loans, of which 80 were claims on loans made by approved lenders as agents of the Corporation in 1957-58. Since insured lending began in 1954 there have been 222 claims against the Fund.

In 13 default cases foreclosure or other legal remedies were taken and completed in 1960 for which insurance claims were not made by the lenders. Since 1954 there have been 34 such cases.

Direct lending operations of the Corporation to which loan insurance is not applicable accounted for mortgage debt outstanding in the amount of \$370 million at the end of 1960. This consisted of \$157 million in limited-dividend loans, \$5 million in primary industry loans, \$74 million in rental guarantee loans, \$31 million in loans to home owners made before the introduction of mortgage insurance, and \$103 million in sale agreement and mortgage accounts arising from the sale of Corporation-owned property.

During 1960 the Corporation acquired as a result of default two single units financed under the 1944 Act and one limited-dividend project of 78 units. Default in payments on mortgage and sale agreement accounts resulted in repossession of eight properties. Eleven claims on rental guarantee contracts were paid in 1960 and two more were under review at year-end. Since 1952, 34 claims amounting to \$664,000 have been paid under rental guarantee provisions. Lending under this provision has been inactive since 1955.

At the end of 1960 the Corporation had 116,259 mortgage loan and sale agreement accounts including 19,575 administered by agents. This represented an increase of 205% during the last four years resulting largely from the Corporation's expanded lending programme since August 1957. At year-end arrears of three months or more amounted to \$791,800. About 55% of this amount was attributable to limited-dividend loan arrears. At the end of 1960 payments by borrowers on 5.2% of the accounts administered by the Corporation were outstanding for 18 days or more compared with 7.01% at the end of 1959.

SALE OF NATIONAL HOUSING ACT MORTGAGES

The National Housing Act authorizes the sale of insured mortgages. A requirement for the continuation of the insurance is administration of the loan to maturity by an approved lender or by the Corporation. Total sales by approved lenders in 1960

amounted to \$20.7 million, a sharp decline from the average of the previous four years of \$50.5 million. Life insurance company sales valued at \$7.4 million this year exceeded sales of \$5.2 million by chartered banks, which in each of the preceding five years initiated more than half of annual sales. Sales of insured mortgage loans under the 1954 Act total \$241 million.

Pension funds of private corporations have in most years been the main purchasers but in 1960 were responsible for only 41% of total purchases. In 1960, the Corporation sold to its pension fund insured mortgage loans valued at \$0.4 million.

Home Improvement Loans

NHA
Sections 24, 25, 30

As part of a programme designed to stimulate construction activity NHA-guaranteed bank loans for home improvement were extended on October 18 to owners of rental properties. Although the full impact of the additional class of borrowers was not felt in 1960 there was an upward trend in the volume of loans approved following the extension.

The banks approved 23,580 loans in 1960 for a total of \$30.1 million. In 1959 the banks made 32,523 loans for \$37.5 million.

Under its guarantee against losses the Corporation's contingent liability, which is limited to 5% of the total loans made by each lender, was \$9.4 million at the end of 1960. The reserve for Home Improvement Loan insurance, made up of fees from borrowers deposited in a fund, amounted to \$1.9 million at year-end. At the end of 1959 the Reserve Fund stood at \$1.6 million.

Claims paid to lenders during 1960 amounted to \$107,230 compared with \$75,000 in 1959. Since 1955, when the Home Improvement Loan provisions of the Act were proclaimed, claims of \$303,114 have been paid on loans amounting to \$194.7 million. During the year the Corporation recovered \$9,872 of the claims paid bringing total recoveries to \$25,616.

The chartered banks reported that Home Improvement Loans outstanding at the end of 1960 totalled \$56.3 million, compared with \$59.7 million at the end of the previous year.

Property Management

NHA
Section 37
CMHC Act
Section 29

The Corporation owns and manages a substantial number of properties. Most are rental dwellings built for the accommodation of war veterans. The second largest category consists of 392 houses at Gander occupied mainly by personnel of the Departments of Transport and National Defence.

At the beginning of 1960 11,432 dwellings were under rental. During the year 802 were sold and 88 were acquired as a result of default in payments. Most house sales were to occupying tenants. The total under management at the end of the year was 10,718 dwellings. In addition, the Corporation was administering 105 dwellings on behalf of the Mortgage Insurance Fund.

In 1960, rental revenues from Corporation-owned dwellings amounted to \$7 million. This represents an average annual rental of \$635, compared with \$611 in 1959. The increase is attributable mainly to larger amounts collected for higher payments in lieu of taxes. At the end of the year, rental arrears amounted to \$53,277, or 0.76% of the annual rent receivable. Of this total 60% was in arrears of not more than thirty days. At the end of 1959 arrears amounted to \$49,568 or 0.68% of annual rent receivable.

Operating expenses, excluding cost of administration and depreciation, amounted to \$3.4 million in 1960. These expenses averaged approximately \$307 per unit; in 1959 they amounted to about \$250 a unit. The higher unit cost is largely the result of heavier maintenance on older dwellings and replacement of capital equipment.

In 1960 payments of \$1.9 million in lieu of taxes were made to municipalities on Corporation-owned houses compared with payments of \$1.8 million in 1959. At the end of 1960 payments equal to normal taxes were being made on 8,300 dwellings.

Urban Redevelopment

Federal contributions were approved in 1960 to assist the cities of Saint John, Sarnia and Vancouver in the redevelopment of blighted areas. The grants, covering one-half the cost of acquiring and clearing the three areas, amounted to approximately \$5.8 million. Revenue derived from the use of the cleared land is shared by participating governments in proportion to their financial interest.

NHA
Section 23

The 57-acre renewal area in Saint John was recommended for redevelopment in the Urban Renewal Study of Saint John carried out during 1956 and 1957. After the site is cleared and major streets relocated, it is proposed to use the land for residential, commercial and light industrial purposes.

The Sarnia Bluewater Redevelopment Area comprises 172 acres of residential land situated in the midst of the petro-chemical industrial area of the city. It is proposed that the cleared land will be used for industrial purposes. Some of the houses in the Bluewater Area are considered suitable for relocation and rehabilitation. Plans call for the removal of these houses to other sites in Sarnia and their sale or rental to present residents of the Bluewater Area. Other families displaced by the redevelopment project may be accommodated in the Federal-Provincial rental housing project for which arrangements are well advanced.

A grant was approved to assist the City of Vancouver in the acquisition and clearance of 36 acres in two major blighted areas. The cleared land will be used for industry, recreational purposes and for public housing. This is the first phase of a proposed 20-year programme of redevelopment and rehabilitation.

Progress in the acquisition and clearance of properties continued in the Moss Park project of 14 acres in downtown Toronto as well as in the central area redevelopment project in Windsor. In Windsor the first phase of a rental housing project is being constructed on a portion of the cleared site.

The City of Toronto submitted an application for a Federal contribution towards redevelopment of the Alexandra Park Area. A number of other municipalities are preparing applications for assistance in redevelopment.

Federal-Provincial Projects

Under Federal-Provincial partnership agreements, the Federal Government provides 75% of the capital cost of a public housing or land assembly project and the province the remaining 25%. In the case of public housing, the province may require the municipality concerned to assume all or a part of this share. Returns from the operation of the housing projects and the sale of lots are shared in proportion to the contributions of the partners. Losses on the rental housing are absorbed in the same proportion.

NHA
Section 36

The December 2 amendment to the Act authorized Federal-Provincial partnerships to acquire existing buildings in designated renewal areas and convert them into public housing. This is intended to augment the stock of public housing with usable existing housing.

PUBLIC HOUSING

During 1960 approval was given to partnership arrangements for public housing projects in Saint John, Halifax and at two locations in Vancouver. These four projects will provide a total of 698 low-rental dwellings.

Construction commenced during the year on public housing developments in Brantford, Clinton, Cornwall, Ottawa, Windsor and Regina. All of these projects were approved before 1960.

Federal approval was also given to preliminary investigation of proposals for six projects including one in Metropolitan Toronto.

Since the first project was approved under Federal-Provincial arrangements in 1950, until the end of 1960, a total of 9,610 units in 81 projects has been approved. Of these units, 7,509 have been completed and transferred to local housing authorities for administration. For 2,871 of the dwellings, rents are set at a level sufficient to recover capital costs and to meet interest charges and current operating expenses. For the remaining 4,638 units, rents are related to family size and income. During 1960 operating deficits on completed projects, where rents collected did not meet operating expenditures, amounted to \$300,834. Three-quarters of this amount was borne by the Federal Government.

Under an agreement between the Federal Government and the Government of the Province of Nova Scotia, the Nova Scotia Housing Commission and Central Mortgage and Housing Corporation may undertake the construction of homes for sale to co-operative companies. The Commission advances Federal-Provincial funds to the co-operative and repayment is made over a period of 25 years. Twenty projects comprising 142 units were approved in 1960. Since the inception of this programme in 1953, 101 projects for 916 units have been approved.

During 1960 an agreement similar to that in effect in Nova Scotia was approved in the Province of Prince Edward Island. Under this arrangement, the Prince Edward Island Housing Commission and Central Mortgage and Housing Corporation may undertake construction of houses for sale to co-operative companies. One project of 10 units in the Town of Souris has been approved.

LAND ASSEMBLY

During the year, approval was given for the acquisition and servicing for residential use of 363 lots in land assembly projects. These are located in Kirkland Lake, Weyburn and Trail. Approval was also given for the acquisition of 500 acres of land in St. John's and 26.5 acres in Courtenay to be held for future development.

Work was started on the servicing of 79 lots in Kenora. Development of the Peterborough land assembly project continued and 81 lots were put on sale during the year.

In 1960, 652 lots were sold bringing to 8,588 the number of lots serviced and sold.

Design and Construction

CMHC Act
Section 29

The Corporation may design and undertake the construction of housing and related buildings and services on its own behalf or for other Government agencies and departments. It may also be called upon to act as a consultant in architectural and planning matters. In 1960 most activities in these fields were carried out for the Department of National Defence and for Federal-Provincial partnerships.

The Corporation was engaged in the preliminary planning phase of Federal-Provincial land assembly projects at Toronto, Ottawa and Kingston, numbering 1,300 acres in all. Consultant planning firms have been retained for the Toronto Thistledown and Ottawa Borden Farm developments.

The Corporation carried out detailed planning for a demonstration area in the second phase of the Peterborough land assembly project. This provides for use of 52 lots in the development for demonstration purposes. Plans have been selected from the Corporation's small house designs and their overall grouping and

individual siting on each lot has been arranged. The lots are sold to builders on condition that the plans and layout are followed.

An architectural competition was arranged for the development of 70 acres of Corporation-owned land on Smyth Road, Ottawa. The plan is intended to demonstrate the merits of combining the skills of the architect, the town planner and the landscape architect in a comprehensive design of housing and associated facilities in a middle income community. The land will be offered for sale for development in accordance with the winning design.

With the aim of improving the quality of planning and design, reviews were made of housing layouts in developments intended for NHA financing, limited-dividend housing and insured rental projects.

Contracts were awarded for the construction of 300 R.C.A.F. dwellings at Greenwood and for five school extensions at various Department of National Defence establishments. Under these contracts and under work contracted for prior to 1960 four school extensions and 519 dwellings were completed. The completed houses are in Calgary, Petawawa, Comox and Chilliwack. Architectural services were required on about 1,000 dwellings in projects under construction and plans were prepared for 1,000 additional dwellings.

The Corporation designed and awarded contracts for 578 dwellings for Federal-Provincial partnerships.

On behalf of Atomic Energy of Canada Limited designs were completed and a contract awarded for construction of an extension to the cafeteria of the staff hotel at Deep River. Planning was undertaken for the long-range development of a new town in Manitoba for atomic energy research.

Housing Research and Community Planning

The research and development activities of the Corporation as set out in the National Housing Act have as their aim the improvement of housing and the orderly development of communities.

NHA
Sections 31

For this purpose the Corporation engages in studies of the factors affecting housing conditions and initiates or arranges for investigations by agencies outside the Corporation. In 1960, Corporation research entailed an expenditure of approximately \$500,000 and arrangements with outside agencies resulted in an outlay of about the same amount.

HOUSE DESIGN

The Canadian Housing Design Council again received Federal support to aid in its programme of encouraging the improvement of house design in Canada. In 1960, the Council conducted competitions in the fields of single-family house design and house grouping. The award-winning designs were brought to the attention of consumer groups, professional designers and builders through public exhibitions and the presentation of National Awards.

In 1960 the Council published *New Forms of Family Housing*, a study of new methods of providing housing in greater density while retaining some of the characteristics and scale of single-family houses. This was the work of private architects undertaken with the aid of an NHA grant. A grant was made towards a study of the garden-court house, another facet in the search for satisfactory forms of family housing on an increased density basis.

The Corporation added a number of new plans to its catalogue of *Small House Designs*.

Five Travelling Scholarships in Architecture established in 1959 were awarded in 1960 to students who made a study of the design and construction of housing in various parts of Canada and the United States. Further assistance was provided to the Canadian Conference of University Schools of Architecture in the development of lecture tours.

COMMUNITY PLANNING AND HOUSING INVESTIGATIONS

The Corporation continued its support of the Community Planning Association of Canada in its endeavours to stimulate a greater public awareness of the importance of orderly community and regional development.

In 1960 fellowships and bursaries were awarded to assist scholars in the fields of housing, planning and urban development. In addition, financial assistance was given to the four Canadian universities offering professional planning courses.

A grant was made to the Royal Architectural Institute of Canada to assist in the production of the *Report of the Committee of Inquiry into the Design of the Residential Environment*. The Inquiry had been supported by a National Housing Act grant in 1959.

URBAN RENEWAL AND DEVELOPMENT STUDIES

Federal grants amounting to \$150,000 were approved to aid four municipalities and the Province of Manitoba in carrying out studies to identify substandard areas and to form proposals for the solution of problems attributable to blight. The studies were undertaken in Corner Brook, Montreal, Port Moody, Prince Rupert and Churchill.

During the year reports of similar studies commenced in earlier years were published by the municipalities of Sydney, Kingston, Windsor and Sault Ste. Marie. Studies were proceeding in ten other cities.

The Province of Prince Edward Island received a grant to be disbursed over a three-year period, which would cover 50% of the cost of a study of housing conditions and the need for redevelopment in the Province, and particularly in the City of Charlottetown. A similar grant was given to the Province of Nova Scotia, the City of Halifax, the Town of Dartmouth and the Municipality of the County of Halifax for a study of housing conditions in Metropolitan Halifax.

Since 1955 when the first study was undertaken 33 have been initiated and in six cases redevelopment of substandard areas has already been started.

ECONOMIC RESEARCH

The Corporation continued its economic research activities dealing with market conditions and measurements of the volume and flow of mortgage funds. Statistical information based on these studies is published in *Canadian Housing Statistics*.

A study of the role of economic analysis in the planning process of the greater Winnipeg Area is being assisted by a research grant to the Metropolitan Planning Commission of Greater Winnipeg. Another study on the economic problems associated with urban growth, undertaken by Queen's University under a grant made in 1959, is nearing completion.

TECHNICAL INVESTIGATIONS

The Corporation provided a further grant to the Ontario Research Foundation for research into improved and more economic methods of household waste disposal.

Research has progressed to the stage where field testing of experimental units will now begin.

In association with the National Research Council and other Government departments with testing facilities for experimental work, the Corporation continued to investigate the performance of new materials, methods and equipment in order to determine their suitability for use in houses financed under the Act.

A grant was made to the National House Builders Association for technical research into, and development of, improved materials, methods of construction, equipment and other factors involved in the housing industry. Under this grant a third experimental house was started in 1960, and observations on earlier experimental houses built by the Association are continuing.

A Catalogue of House Building Construction Systems was published by the Corporation. Many methods of constructing single-family dwellings used in various parts of the world have been incorporated in this publication.

A member of the Corporation's staff served as Canadian Government Adviser and Government member of the Committee on Workers' Housing at the 44th Session of the International Labour Conference in Geneva, Switzerland.

The Corporation was closely associated with the National Research Council in the development of the Housing Section, Part IX, of the National Building Code. The Corporation also co-operated with the Emergency Measures Organization in design work on fallout shelters.

Organization and Staff

The Corporation's Head Office is in Ottawa and its varied activities are carried out through 50 field offices.

The number of mortgage and property accounts increased by about 20% over the previous year but the reduced volume of lending made it possible to transfer staff from this function to mortgage administration without an increase in total staff. During 1960 the Corporation launched a comprehensive training programme in mortgage and property administration.

At the end of 1960 staff numbered 1,896 compared with 1,970 at the end of 1959.

The President and members of the Board of Directors extend their appreciation for the loyal and efficient manner in which the staff carried out its work in 1960.

The Board of Directors records with sorrow the death of Miss Margaret E. Perney, Q.C., a valued member of the Board since June 16, 1959.

Accounts

Total revenue earned in 1960 amounted to \$79,925,673 compared with a total of \$62,889,437 earned in 1959.

Net revenue in 1960 after provision of \$5,312,000 for income tax, was \$5,232,412, an increase of \$884,283 over the total of \$4,348,129 reported in 1959. After transferring this amount to the Reserve Fund and adding to it \$4,870,322 realized from the sale of property acquired from the Government of Canada, the sum of \$10,102,734 was credited to the Receiver General. In 1959 a total of \$9,553,588 was credited to the Receiver General including \$5,205,459 realized from the sale of property acquired from the Government.

Total assets of the Corporation were reported at the end of 1960 in the amount of \$1,642,461,034 compared with \$1,382,103,927 at the end of 1959.


AUDITORS' REPORT


TO THE MINISTER OF PUBLIC WORKS:

We have examined the attached financial statements of Central Mortgage and Housing Corporation for the year ended December 31 1960 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we have considered necessary in the circumstances.

In our opinion, proper books of account have been kept and the transactions of the Corporation that have come under our notice have been within the powers of the Corporation.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the Corporation, the attached financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Corporation as at December 31 1960 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

 F.C.A.
of the firm
Price Waterhouse & Co..

 C.A.
of the firm
Bélanger, Saint-Jacques,
Sirois & Cie

Ottawa, February 9 1961

FINANCIAL STATEMENTS

December 31 1960

STATEMENT I	Balance Sheet
II	Statement of Income and Expenditure
III	Reserve Fund
IV	Loans Under the Housing Acts
V	Agreements for Sale and Mortgages Arising from Sales of Properties
VI	Real Estate
VII	Corporation's Share in the Joint Ownership of Real Estate under Federal-provincial Agreements
VIII	Assets of the Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantee Funds
	Reserves for Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantees

CENTRAL MORTGAGE AND HOUSING CORPORATION

Assets	1960	1959
Cash	\$ 4,471,147	\$ 1,059,937
Accounts receivable, less allowance of \$37,386 for doubtful accounts	1,016,693	805,251
Expenditures recoverable from Provincial Governments under Federal-provincial Agreements	2,483,604	2,367,860
Due from the Minister of Public Works on current account	369,846	563,632
Due from the Minister of Public Works for losses (net) in respect of loans, guarantees and other commitments under the Housing Acts	126,753	(219,054)
Loans under the Housing Acts, including \$6,360,094 interest accrued or receivable	1,302,744,814	1,061,479,974
Agreements for Sale and Mortgages arising from sales of properties, including \$438,248 accrued interest	103,150,772	105,143,043
Advances to Municipalities and others on deferred repayment terms, including \$32,246 accrued interest	4,895,458	5,048,207
Real Estate, including business premises — at cost or at values placed by the Board of Directors on properties acquired from the Government of Canada less \$18,959,910 accumulated depreciation	62,330,262	68,386,976
Corporation's share in the joint ownership of Real Estate under Federal-provincial Agreements	79,828,589	69,011,821
Office furniture and equipment, less \$1,304,977 accumulated depreciation	410,546	418,796
Bonds held as deposits	2,560,250	2,193,235
Other assets	203,241	208,816
	<u>1,564,591,975</u>	<u>1,316,468,494</u>
Assets of the Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantee Funds	77,869,059	65,635,433
	<u>\$1,642,461,034</u>	<u>\$1,382,103,927</u>

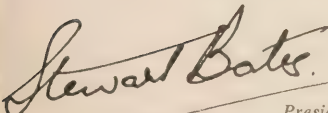
FINANCE SHEET — DECEMBER 31 1960


(with comparative figures for 1959)

Government
Publications

STATEMENT I

Liabilities	1960	1959
Accounts payable and accrued liabilities	\$ 2,579,458	\$ 2,021,044
Deposits and contractors' holdbacks	7,964,948	8,348,559
Unearned fees, rentals, and payments received on sales of Real Estate in process of execution	704,126	676,099
Employees' Retirement Account	88,312	103,341
Reserve for Purchase Guarantees	—	58,122
Due to the Receiver General in respect of the excess in Reserve Fund over statutory limitation	10,102,734	9,553,588
Estimated income tax less instalments paid	2,690,657	2,304,287
Borrowings from the Government of Canada, evidenced by debentures of the Corporation:		
For lending under the Housing Acts, including \$9,751,459 accrued interest	1,273,660,565	1,029,173,410
For acquisition and construction of Real Estate under Federal-provincial Agreements, including \$899,199 accrued interest	87,191,278	76,923,680
For acquisition and construction of Real Estate, including \$1,397,829 accrued interest	93,084,467	96,795,771
Surplus arising from valuation of properties acquired from the Government of Canada	3,569,691	4,009,909
Unrealized profits on Real Estate sold on deferred payment terms	52,955,739	56,500,684
Capital, authorized and fully paid by the Government of Canada	25,000,000	25,000,000
Reserve Fund	5,000,000	5,000,000
	<u>1,564,591,975</u>	<u>1,316,468,494</u>
Reserves for Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantees	77,869,059	65,635,433
	<u>\$1,642,461,034</u>	<u>\$1,382,103,927</u>


President


Chief Accountant

STATEMENT OF INCOME AND EXPENDITURE

Income

Interest earned on loans under the Housing Acts . . . . .	.
Less: Interest on borrowings . . . . .	.
Property Rentals . . . . .	.
Less: Property Expenses:	
Interest on borrowings . . . . .	.
Repairs, maintenance and other expenses . . . . .	.
Payments to municipalities in lieu of taxes and for services . . . . .	.
Depreciation on real estate and equipment . . . . .	.
Interest earned on Corporation's share in projects under Federal-provincial agreements . . . . .	.
Less: Interest on borrowings . . . . .	.
Interest earned on agreements for sale and mortgages . . . . .	.
Less: Interest on borrowings . . . . .	.
Application fees earned on insured mortgage loans . . . . .	.
Fees earned for services rendered to Government agencies . . . . .	.
Net profits realized on dispositions of real estate acquired by capital expenditure . . . . .	.
Miscellaneous . . . . .	.

Administrative Expenditure

Salaries . . . . .	.
Pension Fund, group and unemployment insurance and medical examinations . . . . .	.
Directors' fees and expenses . . . . .	.
Auditors' fees and expenses . . . . .	.
Legal fees and expenses . . . . .	.
Examination fees paid to Approved Lenders . . . . .	.
Fees to Approved Lenders re: Agency Loans . . . . .	.
Information services . . . . .	.
Office supplies and expenses . . . . .	.
Rental and expenses of administrative premises . . . . .	.
Telephone, telegraph and teletype . . . . .	.
Travel, moving expenses and use of employee-owned automobiles . . . . .	.
Interest allowed on deposits . . . . .	.
Depreciation on business premises . . . . .	.
Depreciation on office furniture and equipment . . . . .	.
Miscellaneous . . . . .	.

Income Less Expenditure for the Year Before Income Tax

Deduct: Estimated Income Tax
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Net Income — Transferred to Reserve Fund

OR THE YEAR ENDED DECEMBER 31 1960

(with comparative figures for 1959)

STATEMENT II

1960		1959	
\$62,441,310		\$44,453,186	
47,325,684	\$15,115,626	32,817,918	\$11,635,268
<u>7,231,099</u>		<u>7,550,418</u>	
\$1,374,238		\$1,537,787	
1,761,621		1,422,500	
1,876,454		1,786,544	
1,716,627	6,728,940	1,812,757	6,559,588
	502,159		990,830
3,026,047		2,600,111	
2,928,454	97,593	2,482,401	117,710
<u>5,356,421</u>		<u>5,367,603</u>	
1,031,651	4,324,770	984,627	4,382,976
	1,289,908		2,316,654
	255,555		300,781
	296,016		267,835
	29,317		32,849
	<u>21,910,944</u>		<u>20,044,903</u>
6,895,559		6,294,275	
841,703		890,720	
6,261		4,329	
30,172		34,008	
16,868		5,987	
98,437		90,117	
1,150,184		1,553,610	
26,572		31,730	
368,520		431,155	
536,844		512,652	
148,932		144,847	
662,599		653,915	
110,662		138,801	
132,755		141,708	
99,834		104,061	
240,630	11,366,532	231,859	11,263,774
	10,544,412		8,781,129
	5,312,000		4,433,000
	<u>\$ 5,232,412</u>		<u>\$ 4,348,129</u>

Balance, January 1	
Add:	
Net Income for the year	
Profits realized on sales of properties acquired from the Government of Canada	
Deduct:	
Excess over statutory limitation — transferred to the credit of the Receiver General	
Balance, December 31	

LOANS UNDER THE HOUSING ACTS FO

	<i>Balances December 31 1959</i>	
	<i>Number of Loans Outstanding</i>	<i>Value</i>
<i>Joint Loans (Corporation's Share)</i>	120,177	\$ 189,483,693
<i>Uninsured Loans</i>		
Limited-dividend Housing Companies	234	132,175,702
Mining, Lumbering, Logging and Fishing Industries . .	16	5,091,646
Home Owners	5,511	33,365,877
Builders and Others, under Rental Guarantee Contracts	583	76,223,600
	<u>6,344</u>	<u>246,856,825</u>
<i>Insured Loans to Builders and Home Owners</i>		
By the Corporation	38,657	366,588,323
(Transfers from Agents)		
By Agents of the Corporation	20,577	253,650,912
(Transfers to the Corporation)		
	<u>59,234</u>	<u>620,239,235</u>
	<u>185,755</u>	<u>\$1,056,579,753</u>

AGREEMENTS FOR SALE AND MORTGAGES ARISING FROM SALE

	<i>Balances December 31 1959</i>	
	<i>Number of Accounts Outstanding</i>	<i>Value</i>
<i>Agreements for Sale</i>	20,414	\$ 51,470,689
(Converted to Mortgages)		
<i>Mortgages</i>	11,447	53,237,933
(Converted from Agreements for Sale)		
	<u>31,861</u>	<u>\$104,708,622</u>

YEAR ENDED DECEMBER 31 1960

(with comparative figures for 1959)

STATEMENT III

1960

1959

	\$ 5,000,000		\$ 5,000,000
\$5,232,412		\$4,348,129	
4,870,322	10,102,734	5,205,459	9,553,588
	15,102,734		14,553,588
	10,102,734		9,553,588
	\$ 5,000,000		\$ 5,000,000

THE YEAR ENDED DECEMBER 31 1960

STATEMENT IV

Number of New Loans	Advances and Other Charges during 1960	Number of Loans Paid in Full	Payments Received during 1960	Balances December 31 1960	
				Number of Loans Outstanding	Value
	\$ 837	5,243	\$16,592,385	114,934	\$ 172,892,145
33	33,442,019	1	8,656,583	266	156,961,138
	246,270	1	560,212	15	4,777,704
27	3,130,850	149	5,213,098	5,389	31,283,629
	6,232,290	2	8,815,129	581	73,640,761
60	43,051,429	153	23,245,022	6,251	266,663,232
20,131	289,493,562	164	47,626,294	59,112	613,714,292
488	5,258,701				
	557,755	514	5,834,915	19,575	243,115,051
(488)	(5,258,701)				
20,131	290,051,317	678	53,461,209	78,687	856,829,343
20,191	\$333,103,583	6,074	\$93,298,616	199,872	\$1,296,384,720
			Interest Accrued or Receivable		6,360,094
			Total (including amounts in arrears three months and over \$808,000)		\$1,302,744,814

PROPERTIES FOR THE YEAR ENDED DECEMBER 31 1960

STATEMENT V

Number of New Accounts	Sales, Transfers and Other Charges during 1960	Number of Accounts Paid in Full	Payments Received during 1960	Balances December 31 1960	
				Number of Accounts Outstanding	Value
(314)	\$ 5,740,852	1,129	\$10,542,275	18,971	\$ 45,752,293
881	(916,973)				
314	11,475,792	292	8,670,467	12,350	56,960,231
	916,973				
881	\$17,216,644	1,421	\$19,212,742	31,321	\$102,712,524
			Accrued Interest		438,248
			Total (including amounts in arrears three months and over \$14,000)		\$103,150,772

	<i>Balances December 31 1959</i>		<i>Additions and Transfers during 1960</i>	
	<i>Units</i>	<i>Amount</i>	<i>Units</i>	<i>Amount</i>
<i>Business Premises for Corporation Use . . .</i>	<u>23</u>	<u>\$ 3,534,264</u>		<u>\$ (2,270)</u>
<i>Rental Housing</i>				
Warworkers' Houses	534	534,115		
Servicemen's Housing				
1947 and prior Programmes	476	1,428,000		
1948 and 1949 Programmes	7,994	57,569,485		
Single Houses	623	5,369,008		
Multiple Dwellings				
Housing acquired from Limited-dividend Housing Companies				
Single Houses	249	1,923,623		
Multiple Dwellings	1,197	9,245,875	78	404,472 ⁽¹⁾
Garages	232			
Housing at Pembroke, Gander, Renfrew and Sorel	544	6,420,747		8,978
	<u>11,849</u>	<u>82,490,853</u>	<u>78</u>	<u>413,450</u>
<i>Housing Acquired Under Guarantee Agreements</i>	<u>6</u>	<u>56,263</u>		
<i>Other Real Estate</i>				
Vacant Land		515,225		32,726
Miscellaneous	38	115,464	8	41,751
	<u>38</u>	<u>630,689</u>	<u>8</u>	<u>74,477</u>
	<u>11,916</u>	<u>\$86,712,069</u>	<u>86</u>	<u>\$485,657</u>

(1) Represents acquisition arising from mortgage default of a corporation.

CORPORATION'S SHARE IN THE JOINT OWNERSHIP OF REAL ESTATE UNDER

	<i>Balances December 31 1959</i>	<i>Additions and Transfers during 1960</i>
Rental Housing Projects	\$59,661,399	\$10,381,425
Land Assembly Projects	10,302,779	2,056,880
	<u>\$69,964,178</u>	<u>\$12,438,305</u>

Dispositions during 1960

<i>Units</i>	<i>Amount</i>
2	\$ 801
4	3,386
99	297,000
750	5,420,206
2	13,386
8	80,100
863	5,814,078
7	60,218
7	32,457
7	92,675
872	\$5,907,554

Balances December 31 1960

<i>Units</i>	<i>Amount</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>
21	\$ 3,531,193	\$ 874,718	\$ 2,656,475
530	530,729		530,729
377	1,131,000	479,821	651,179
7,244	52,149,279	11,909,670	40,239,609
623	5,369,008	1,630,050	3,738,958
247	1,910,237	595,369	1,314,868
1,275 }			
232 }	9,650,347	2,752,852	6,897,495
536	6,349,625	670,476	5,679,149
11,064	77,090,225	18,038,238	59,051,987
6	56,263	10,364	45,899
	487,733		487,733
39	124,758	36,590	88,168
39	612,491	36,590	575,901
11,130	\$81,290,172	\$18,959,910	\$62,330,262

*Dispositions
during 1960*

\$1,239,224
\$1,239,224

Balances December 31 1960

<i>Amount</i>	<i>Accumulated Recovery of Investments</i>	<i>Net Book Value</i>
\$70,042,824	\$1,334,670	\$68,708,154
11,120,435		11,120,435
\$81,163,259	\$1,334,670	\$79,828,589

ASSETS OF THE MORTGAGE INSURANCE, HOME IMPROVEMENT LOAN

	<i>Mortgage Insurance Fund</i>	
	<i>1959</i>	<i>1960</i>
Cash	\$ 1,925,494	\$ 821
Securities issued or guaranteed by the Government of Canada, at amortized cost	57,921,940	69,589,388
Approximate market values —		
Mortgage Insurance Fund	\$63,729,314	
Home Improvement Loan Insurance Fund	1,703,293	
Rental Guarantee Fund	2,911,478	
	<u>\$68,344,085</u>	
Accrued interest on securities	868,109	1,127,105
Mortgages	168,245	528,908
Accrued interest on mortgages	2,894	10,649
Real Estate, at cost (estimated market value \$1,255,000)	194,971	1,339,100
	<u>\$61,081,653</u>	<u>\$72,595,971</u>

RESERVES FOR MORTGAGE INSURANCE, HOME IMPROVEMENT LOAN INSURANCE

	<i>Reserve for Mortgage Insurance</i>		
	<i>Total to December 31 1959</i>	<i>Year 1960</i>	<i>Total to December 31 1960</i>
Fees and premiums received	\$55,708,231	\$ 8,456,279	\$64,164,510
Net income from securities	5,303,660	3,018,553	8,322,213
Interest earned on mortgages	11,572	25,587	37,159
Rentals earned on real estate	639	10,129	10,768
Recoveries on claims paid			
Real estate acquired on claims paid	375,651	1,496,596	1,872,247
Net profit on sales of real estate	17,136	10,759	27,895
Net profit on sales of securities	40,687		40,687
Sundry income			
	<u>61,457,576</u>	<u>13,017,903</u>	<u>74,475,479</u>
Deduct:			
Claims paid and legal expenses	375,651	1,496,596	1,872,247
Maintenance of real estate	264	6,858	7,122
Sundry expenses	8	131	139
	<u>375,923</u>	<u>1,503,585</u>	<u>1,879,508</u>
	<u>\$61,081,653</u>	<u>\$11,514,318</u>	<u>\$72,595,971</u>

Mortgage insurance in force—approximately \$3,090,000,000
 Amount insured in respect of Home Improvement
 Loans—approximately \$ 9,410,000
 Current year's rentals covered by Rental Guarantee
 contracts—approximately \$ 15,500,000

SURANCE AND RENTAL GUARANTEE FUNDS, DECEMBER 31 1960

(with comparative figures for 1959)

STATEMENT VIII

<i>Home Improvement Loan Insurance Fund</i>		<i>Rental Guarantee Fund</i>		<i>Totals</i>	
<i>1959</i>	<i>1960</i>	<i>1959</i>	<i>1960</i>	<i>1959</i>	<i>1960</i>
\$ 22,510	\$ 12,985	\$ 46,065	\$ 52,050	\$ 1,994,069	\$ 65,856
1,564,391	1,842,364	2,856,253	3,290,234	62,342,584	74,721,986
23,558	28,095	41,003	47,360	932,670	1,202,560
				168,245	528,908
				2,894	10,649
				194,971	1,339,100
<u>\$1,610,459</u>	<u>\$1,883,444</u>	<u>\$2,943,321</u>	<u>\$3,389,644</u>	<u>\$65,635,433</u>	<u>\$77,869,059</u>

D RENTAL GUARANTEES FOR THE YEAR ENDED DECEMBER 31 1960

<i>Reserve for Home Improvement Loan Insurance</i>			<i>Reserve for Rental Guarantees</i>			<i>Totals</i>
<i>Total to December 31 1959</i>	<i>Year 1960</i>	<i>Total to December 31 1960</i>	<i>Total to December 31 1959</i>	<i>Year 1960</i>	<i>Total to December 31 1960</i>	<i>December 31 1960</i>
\$1,645,063	\$297,924	\$1,942,987	\$3,152,568	\$369,385	\$3,521,953	\$69,629,450
147,133	78,998	226,131	398,156	137,724	535,880	9,084,224
15,744	9,423	25,167				37,159
						10,768
						25,167
						1,872,247
1,873		1,873	(238)		(238)	27,895
			2,000		2,000	42,322
<u>1,809,813</u>	<u>386,345</u>	<u>2,196,158</u>	<u>3,552,486</u>	<u>507,109</u>	<u>4,059,595</u>	<u>80,731,232</u>
199,354	113,357	312,711	609,165	60,786	669,951	2,854,909
	3	3				7,122
						142
<u>199,354</u>	<u>113,360</u>	<u>312,714</u>	<u>609,165</u>	<u>60,786</u>	<u>669,951</u>	<u>2,862,173</u>
<u>\$1,610,459</u>	<u>\$272,985</u>	<u>\$1,883,444</u>	<u>\$2,943,321</u>	<u>\$446,323</u>	<u>\$3,389,644</u>	<u>\$77,869,059</u>

ASSETS

Accounts Receivable

Balances due from local housing authorities in respect of annual instalments on Corporation's share of investment in Federal-Provincial housing projects, rentals due from housing tenants and sundry accounts receivable from government departments and agencies and others. The increase of \$211,400 over 1959 arises mainly from increased amounts receivable from housing authorities due to greater activity in this field.

Expenditures Recoverable from Provincial Governments under Federal-Provincial Agreements

Expenditures representing provincial share of the cost of land assembly and rental housing projects currently recoverable from provincial governments including an amount due from the Province of Newfoundland of \$599,600 which has been accruing since October 1 1958.

Due from the Minister of Public Works on Current Account

Balance of recoverable expenditures for (a) research, investigations, planning and information services; (b) fees and expenses for supervising construction of permanent married quarters and schools for the Department of National Defence; (c) other sundry items.

Due from the Minister of Public Works for Losses (net) in respect of Loans, Guarantees and Other Commitments under the Housing Acts

(a) Operating losses less profits on Corporation's share in Federal-Provincial housing projects; (b) profits on sales of lots in land assembly projects less losses on abandoned projects; (c) profits less losses on disposal of properties acquired by foreclosure of joint loans and Corporation uninsured loans.

Advances to Municipalities and Others on Deferred Repayment Terms

Balances recoverable in respect of financing of ground services under arrangements made with municipalities by the Corporation alone or in partnership with provincial governments.

Corporation's Share in the Joint Ownership of Real Estate under Federal-Provincial Agreements

Comprises 75% of the unrecovered cost of rental housing projects, unsold lots and uncollected balances on lots sold in land assembly projects. Investment in rental housing projects is recoverable by annual instalments from local housing authorities, and cost of land assembly projects is recoverable from proceeds of lot sales.

Bonds Held as Deposits

Consists of bonds issued or guaranteed by governments, and held (a) on behalf of rental guarantee mortgagors to ensure availability of funds for repairs and replacements; (b) as security deposits by contractors in respect of construction contracts and (c) other deposits in respect of commitments made to the Corporation.

Other Assets

Unexpired portion of group and other insurance premiums, unexpired portion of grants to municipalities in lieu of taxes, accountable advances to employees, inventories of cafeteria foodstuffs and maintenance stores, and sundry prepaid expenses.

LIABILITIES

Accounts Payable and Accrued Liabilities

Unpaid progress estimates owing to contractors, amounts for operating expenses owing or accrued, balances owing to municipalities in respect of house sales and to provincial governments under Federal-Provincial Agreements.

Deposits and Contractors' Holdbacks

Deposits from borrowers in respect of the cost of replacements and repairs and rental guarantee premiums not

yet due as provided for in rental guarantee contracts, deposits received from contractors to guarantee satisfactory completion of contracts and payments withheld in respect of work performed, borrowers' tax deposits, tenants' rent deposits and other deposits in respect of commitments to the Corporation.

Employees' Retirement Account

Amounts deposited by employees not eligible for admission as participants in the Pension Fund held pending retirement or separation. The Pension Fund which is established under authority of the C.M.H.C. Act is not included in these statements, being vested in trustees.

Borrowings from the Government of Canada

	Amount Borrowed in 1960	Amount Repaid in 1960
Borrowings for lending under the Housing Acts (\$ million)	278.5	35.7
Borrowings for acquisition and construction of real estate under Federal-Provincial Agreements (\$ million)	12.5	2.2
Borrowings for acquisition and construction of real estate (\$ million)	—	3.7

Surplus arising from Valuation of Properties Acquired from the Government of Canada

Capitalized value of remaining real estate acquired without cost from Wartime Housing Limited in 1948, and of housing projects at Renfrew and Sorel acquired from the Department of Defence Production in 1957.

Unrealized Profits on Real Estate Sold on Deferred Payment Terms

Each year a proportionate amount of unrealized profits, based on the recoveries of principal to the sales price, is treated as earned or realized. Such realizations are credited to Reserve Fund when arising from sales of real estate acquired by the Corporation without cost, and to the income account when arising from sales of real estate acquired by capital expenditure.

INCOME

In 1960, advances on loans made under the Housing Acts exceeded repayments by \$240,000,000. This together with higher interest rates on new loans resulted in an increase of \$18,000,000 in gross interest earned over 1959. Interest on borrowings increased by only \$14,500,000 thereby resulting in a net increase in interest earned of \$3,500,000.

During 1960, 872 rental housing units were sold and 86 added to the housing inventory, a net decrease of 786 units under administration. Rental revenues declined by \$320,000 while operating expenses increased by \$170,000, resulting in a decline in net rental income of \$490,000. Increased operating expenses are mainly attributable to increased costs of repairs and maintenance and larger payments to municipalities in lieu of taxes.

Application fees earned on insured mortgage loans declined by \$1,027,000 from the previous year due to the sharp reduction in lending activities in 1959. Fees received are treated as being earned over an eight month period.

ADMINISTRATIVE EXPENDITURE

Administrative expenditure was \$103,000 greater than in the preceding year as compared to an increase of \$1,866,000 in income.

Salaries increased by \$701,000 due to a general increase in wage levels. Although a decrease in the Corporation's rate of contribution to the Pension Fund resulted in a net decrease in expense of \$106,000 this was partly off-set by increased expense in respect of group and unemployment insurance.

Fees to approved lenders re agency loans declined by \$403,000 due to the reduction in lending through agents.



Rockland Shopping Centre, Town of Mount Royal.

6

STATISTICS

- Tables*
- 1** Housing Units Started and Mortgage Loans Approved, 1935-1960.
 - 2** Housing Units Started and Mortgage Loans Approved, by Province, 1960.
 - 3** Housing Units Started, and Mortgage Loans Approved Under the Housing Act, by Locality, 1960.
 - 4** Federal-Provincial Projects Under the Housing Acts, by Locality, 1950-1960.
 - 5** Home Improvement Loans Approved, by Province, 1960.
 - 6** Summary of Construction Activities, by Programme, 1960.

Housing Units Started and Mortgage Loans Approved, 1935-1960

TABLE 1

YEAR	Housing Units Started ⁽¹⁾		Mortgage Loans Approved Under The Housing Acts		
	Total	Under The Housing Acts	Loans	Housing Units	Amount (\$000)
1935	33,900	72	73	97	514
1936	41,000	729	550	788	3,778
1937	45,100	1,797	1,311	1,817	7,524
1938	43,900	3,643	2,347	3,894	13,840
1939	48,900	5,947	4,315	5,973	19,142
1940	52,600	5,738	4,897	5,621	16,721
1941	51,200	4,466	4,370	4,323	13,508
1942	40,000	1,120	1,138	1,093	3,170
1943	36,100	1,731	1,721	1,721	5,454
1944	41,500	1,466	1,393	1,393	4,855
1945	55,181	4,737	4,431	4,980	21,143
1946	64,355	11,520	7,341	11,827	55,951
1947	74,263	10,190	8,886	10,933	53,230
1948	90,194	26,233	15,313	18,776	104,291
1949	90,509	29,250	18,047	25,166	140,830
1950	92,531	43,521	33,934	42,280	284,487
1951	68,579	21,439	14,916	19,283	123,621
1952	83,246	34,400	23,718	34,323	249,084
1953	102,409	39,989	26,514	38,614	290,526
1954	113,527	50,373	39,576	50,319	454,957
1955	138,276	65,377	56,149	65,340	615,325
1956	127,311	43,395	35,794	41,283	407,132
1957	122,340	47,468	39,974	48,933	493,939
1958	164,632	81,950	65,515	82,169	882,924
1959	141,345	62,333	49,171	57,310	626,167
1960	108,858	33,723	29,246	36,610	392,992
TOTAL	2,071,756	632,607	490,640	614,866	5,285,105

Housing Units Started and Mortgage Loans Approved, by Province, 1960

TABLE 2

PROVINCE	Housing Units Started		Mortgage Loans Approved Under The Housing Act		
	Total	Under The Housing Act	Loans	Housing Units	Amount (\$000)
Newfoundland . . .	2,026	106	70	70	789
Prince Edward Island	272	45	53	54	522
Nova Scotia . . .	4,047	971	589	834	8,579
New Brunswick . . .	1,780	556	564	577	5,949
Quebec	28,589	6,266	6,977	7,778	81,912
Ontario	42,282	16,563	12,378	17,979	191,200
Manitoba	5,132	1,525	1,529	1,715	19,037
Saskatchewan . . .	4,339	1,641	1,488	1,594	16,865
Alberta	8,387	3,885	3,975	4,238	48,670
British Columbia .	12,004	2,165	1,585	1,733	19,016
Northwest Territories	—	—	6	6	76
Yukon Territory . .	—	—	32	32	377
CANADA	108,858 ⁽¹⁾	33,723 ⁽¹⁾	29,246	36,610	392,992

⁽¹⁾ Excludes the Northwest and Yukon Territories.

**Housing Units Started, and Mortgage Loans Approved
Under the Housing Act, by Locality, 1960**

TABLE 3

LOCALITY	Housing Units Started ⁽¹⁾	Mortgage Loans Approved					
		C.M.H.C.		Approved Lenders		Total	
		Units	Amount (\$000)	Units	Amount (\$000)	Units	Amount (\$000)
<i>Metropolitan Areas</i>							
Calgary	3,234	752	8,678	971	12,076	1,723	20,754
Edmonton	2,180	736	8,454	689	7,826	1,425	16,280
Halifax	1,264	263	3,001	345	3,247	608	6,248
Hamilton	2,682	216	2,522	593	6,664	809	9,186
London	1,840	65	699	544	5,996	609	6,695
Montreal	16,345	184	1,701	1,796	19,269	1,980	20,970
Ottawa-Hull	4,574	623	7,126	2,049	24,671	2,672	31,797
Quebec	2,136	873	8,858	377	4,236	1,250	13,094
Saint John	461	84	832	134	1,484	218	2,316
St. John's	164	23	282	12	146	35	428
Toronto	14,180	1,184	9,528	6,042	58,590	7,226	68,118
Vancouver	4,675	437	4,626	247	3,022	684	7,628
Victoria	965	111	1,266	135	1,628	246	2,894
Windsor	496	127	1,432	176	2,186	303	3,618
Winnipeg	3,805	654	7,262	621	7,625	1,275	14,887
Sub-Total	59,001	6,332	66,267	14,731	158,646	21,063	224,913
<i>Major Urban Areas</i>							
Brantford	622	44	479	29	346	73	825
Chicoutimi-Jonquière	432	290	2,793	37	406	327	3,199
Ft. William-Pt. Arthur	424	50	542	129	1,539	179	2,081
Guelph	361	44	428	120	1,324	164	1,752
Kingston	372	58	642	85	1,049	143	1,691
Kitchener	1,596	196	1,920	650	7,168	846	9,088
Moncton	282	72	719	86	957	158	1,676
Niagara Falls	193	25	254	80	923	105	1,177
Oshawa	700	284	3,235	80	950	364	4,185
Peterborough	470	120	1,097	174	1,970	294	3,067
Regina	984	491	4,733	176	2,166	667	6,899
St. Catharines	377	74	728	108	1,265	182	1,993
Sarnia	532	77	860	165	2,008	242	2,868
Saskatoon	1,137	424	4,457	191	2,400	615	6,857
Sault Ste. Marie	582	117	1,341	147	1,770	264	3,111
Shawinigan Falls	177	44	429	5	52	49	481
Sherbrooke	403	40	403	91	1,007	131	1,410
Sudbury	486	248	2,627	41	505	289	3,132
Sydney	250	24	263	4	48	28	311
Timmins	105	25	278	10	108	35	386
Trois-Rivières	482	246	2,225	20	223	266	2,448
Sub-Total	10,967	2,993	30,453	2,428	28,184	5,421	58,637
Other Localities	38,890	6,129	64,369	3,997	45,073	10,126	109,442
CANADA	108,858	15,454	161,089	21,156	231,903	36,610	392,992

⁽¹⁾ Excludes the Northwest and Yukon Territories.

LOCALITY	Land Assembly		Rental Housing	
	Number of Lots		Number of Housing Units	
	Authorized	Developed	Authorized	Completed
<i>Newfoundland</i>	766	766	584	584
Corner Brook . . .	212	212	—	—
St. John's . . .	554	554	584	584
<i>Nova Scotia</i>	—	—	718	165
Halifax . . .	—	—	718	165
<i>New Brunswick</i>	—	—	488	388
Saint John . . .	—	—	488	388
<i>Quebec</i>	—	—	796	674
Montreal . . .	—	—	796	674
<i>Ontario</i>	12,929	7,678	5,928	5,065
Amherstburg . . .	31	31	25	25
Arnprior . . .	43	43	25	25
Atikokan . . .	1,140	665	—	—
Brantford . . .	323	—	50	50
Brockville . . .	352	352	96	96
Clinton . . .	—	—	12	12
Cobourg . . .	1,015	94	—	—
Cornwall . . .	277	—	125	—
Delhi . . .	—	—	12	12
Dunnville . . .	—	—	25	25
Fort Erie . . .	—	—	28	28
Fort William . . .	—	—	174	174
Galt . . .	201	—	50	50
Goderich . . .	22	22	65	65
Guelph . . .	214	214	70	70
Hamilton . . .	530	468	1,123	1,123
Kenora . . .	205	92	26	26
Kingston . . .	244	244	71	45
Kirkland Lake . . .	67	—	—	—
Kitchener . . .	676	676	—	—
Lindsay . . .	54	54	20	20
London . . .	1,057	1,057	100	100
Midland . . .	42	42	30	30
Napanee . . .	36	36	41	41
North Bay . . .	50	50	54	54
Orillia . . .	—	—	10	10
Ottawa . . .	630	630	103	—
Owen Sound . . .	38	38	40	40
Peterborough . . .	2,170	462	—	—
Port Arthur . . .	—	—	40	40
Prescott . . .	—	—	60	60
Renfrew . . .	171	116	43	43
St. Thomas . . .	315	315	75	75
Sandwich East . . .	969	—	—	—
Sarnia . . .	1,035	955	120	—

TABLE 4

LOCALITY	Land Assembly		Rental Housing	
	Number of Lots		Number of Housing Units	
	Authorized	Developed	Authorized	Completed
Sault Ste. Marie . . .	—	—	100	100
Smith's Falls . . .	—	—	24	24
Stamford	57	57	70	70
Stratford	122	122	104	104
Sudbury	276	276	—	—
Thorold	127	127	—	—
Toronto	—	—	1,966	1,775
Trenton	115	115	25	25
Windsor	325	325	926	628
<i>Saskatchewan</i>	463	376	264	190
Moose Jaw	258	258	75	75
Prince Albert	—	—	30	30
Regina	—	—	109	35
Swift Current	118	118	—	—
Weyburn	87	—	50	50
<i>British Columbia</i>	998	789	832	443
Duncan	158	158	—	—
Kimberley	50	50	—	—
Prince George	177	177	—	—
Prince Rupert	—	—	50	50
Saanich	132	132	—	—
Trail	481	272	—	—
Vancouver	—	—	782	393
TOTAL	15,156	9,609	9,610	7,509

**Federal-Provincial Housing Authorized in Agreements
with the Nova Scotia and Prince Edward Island Housing Commissions**

LOCALITY	Housing Units		LOCALITY	Housing Units	
	Authorized	Completed		Authorized	Completed
<i>Nova Scotia</i>	916	739	Port Hawkesbury .	10	10
Amherst	70	70	Pubnico	7	—
Antigonish	49	37	Stellarton	8	8
Baddeck	5	—	Sydney	280	262
Cheticamp	5	—	Sydney Mines . . .	22	16
Cole Harbour	44	23	Trenton	10	10
Digby	6	6	Truro	32	32
Eastern Passage . . .	17	—	Wolfville	11	11
Glace Bay	56	48	Woodlawn	88	41
Halifax	76	76	Yarmouth	10	10
Kentville	11	11	<i>Prince Edward Island</i>	10	—
New Glasgow	18	10	Souris	10	—
New Waterford	37	28			
North Sydney	44	30	TOTAL	926	739

Home Improvement Loans Approved, by Province, 1960

TABLE 5

PROVINCE	Number of Loans	Number of Additional Housing Units	Amount (\$000)
Newfoundland	496	28	746
Prince Edward Island . . .	124	4	153
Nova Scotia	1,969	55	1,892
New Brunswick	570	20	708
Quebec	2,415	179	4,409
Ontario	7,318	152	8,645
Manitoba	1,206	21	1,526
Saskatchewan	1,444	30	1,607
Alberta	3,648	70	4,448
British Columbia	4,344	55	5,842
Northwest Territories . . .	39	2	66
Yukon Territory	7	1	17
CANADA	23,580	617	30,059

Summary of Construction Activities, by Programme, 1960

TABLE 6

PROGRAMME	Expenditures (\$000)				
	Housing	Land and Improvements	Schools	Other	Total
<i>Corporation Construction</i>					
Federal-Provincial Projects . . .	12,264	4,902	—	—	17,166
Rental Housing (Gander)	—	11	—	—	11
<i>Construction for Other Agencies and Departments</i>					
Atomic Energy of Canada Limited					
Deep River	594	56	—	—	650
Manitoba Site	—	96	—	—	96
Department of National Defence .	5,249	2,679	1,488	—	9,416
Department of National Health and Welfare — Flood Control (Fort Qu'Appelle)	—	1	—	—	1
Department of Public Works — Urban Military Housing (Nova Scotia)	—	4	—	—	4

PUBLICATIONS

FINANCING

- NHA LOANS FOR HOMES – Explains the insured loan provisions for home ownership.
- NHA HOME-OWNER LOANS BY CMHC – Explains lending by CMHC for home ownership.
- NHA INSURED LOANS FOR RENTAL HOUSING – Outlines the financing of rental housing with insured loans.
- NHA LIMITED DIVIDEND LOANS – Explains lending by CMHC to limited-dividend housing companies for low-rental housing.
- NHA HOUSING FOR THE ELDERLY – Outlines the way in which NHA limited-dividend housing may provide accommodation for old people.
- NHA CO-OPERATIVE HOUSING LOANS – Explains loans made to building co-operatives.
- NHA HOME CONVERSION LOANS – Outlines insured loans for alterations which add one or more family housing units to existing residential structures.
- NHA LOANS FOR UNIVERSITY HOUSING PROJECTS – Outlines the terms on which universities may obtain loans for resident student accommodation.
- NHA LOANS FOR MUNICIPAL SEWAGE TREATMENT PROJECTS – Explains loans made to assist in the construction of sewage treatment projects.
- NHA FEDERAL-PROVINCIAL HOUSING AND LAND ASSEMBLY – Summarizes assistance for house construction and land assembly undertaken jointly by Federal-Provincial partnerships.
- NHA URBAN RENEWAL – Outlines Federal assistance available to municipalities undertaking redevelopment of blighted areas.
- NHA HOME IMPROVEMENT LOANS – Explains the lending provisions for loans for home improvement and repairs.

DESIGN

- SMALL HOUSE DESIGNS – Catalogues house designs for which working drawings may be purchased from CMHC local offices at nominal cost.
- CHOOSING A HOUSE DESIGN – Outlines for prospective owners considerations on choice of neighborhood, lot and type of house.
- PRINCIPLES OF SMALL HOUSE GROUPING – Deals with the arrangement of houses in groups.
- NHA – A MINIMUM HOUSE – Describes briefly the specifications of a minimum house designed for rural areas without municipal services.

CONSTRUCTION

- HOUSING STANDARDS – Sets out the minimum building standards prescribed by CMHC for houses built under the National Housing Act. Prepared and published by the Division of Building Research, National Research Council.
- APARTMENT BUILDING STANDARDS – Sets out the minimum standards prescribed for apartment buildings financed with NHA loans.
- CATALOGUE OF HOUSE BUILDING CONSTRUCTION SYSTEMS – Outlines methods followed in various parts of the world in constructing single-family dwellings.
- DICTIONARY OF HOUSE-BUILDING TERMS – Defines words used in housing industry.
- BASEMENT FALLOUT SHELTER – Blueprint for Survival No. 2 – Shelters in new homes.
- NHA – WHAT YOU SHOULD KNOW ABOUT THE INSPECTION OF YOUR HOUSE – Explains the extent and the limitations of compliance inspections on NHA-financed housing.

STATISTICS

- CANADIAN HOUSING STATISTICS – Provides statistical data related to the housing situation.

GENERAL

- HABITAT – A bi-monthly magazine containing illustrated articles on the housing environment.
- HOUSING FOR OLD PEOPLE, URBAN REDEVELOPMENT, FEDERAL-PROVINCIAL PROJECTS – Supplementary material available on these subjects.

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* Member of the Executive Committee

CENTRAL MORTGAGE AND HOUSING CORPORATION OFFICES
Head Office, Ottawa, Canada

REGIONAL OFFICES

Halifax
Montreal
Toronto
Winnipeg
Vancouver

LOCAL OFFICES

Fredericton, Gander, Halifax, Moncton, Saint John, St. John's.

Chicoutimi, Montreal, Quebec, Rimouski, St. Lambert,
Sherbrooke, Trois-Rivières, Val d'Or.

Barrie, Fort William, Hamilton, Kingston, Kitchener, London,
North Bay, Oshawa, Ottawa, Peterborough, St. Catharines, Sarnia,
Sault Ste. Marie, Scarborough, Sudbury, Toronto, Windsor.

Brandon, Calgary, Edmonton, Lethbridge, Red Deer,
Regina, Saskatoon, Winnipeg.

Kelowna, New Westminster, Prince George,
Trail, Vancouver, Victoria.

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Government
Publications



Central Mortgage and Housing Corporation

ANNUAL

REPORT

to the Minister of Resources and

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Central Mortgage and Housing Corporation

ANNUAL
REPORT

1 9 6 1

CENTRAL MORTGAGE AND HOUSING CORPORATION

Central Mortgage and Housing Corporation is a Federal Crown corporation incorporated by Act of Parliament in 1945 (R.S.C. 1952, c.46). Under this Act, the National Housing Act, 1954, and earlier Housing Acts, the Corporation is empowered to:

Insure mortgage loans on new housing made by banks, life insurance, trust and loan companies and other approved leaders;

NHA
Section 6

Make mortgage loans to borrowers unable to obtain insured loans from private NHA lenders and make mortgage loans to limited-dividend housing companies on low-rental housing projects;

NHA
Sections 16, 40

Make loans to universities to assist in providing dormitory accommodation for resident students;

NHA
Section 36B

Make loans to municipalities or municipal sewerage corporations to assist in the construction or expansion of sewage treatment projects for the control of water and soil pollution;

NHA
Section 36F

Provide insurance to banks on loans made for home improvement, and guarantee returns from moderate-rental housing projects built by life insurance companies and private investors;

NHA
Sections 14, 15,
24, 25, 30

Buy and sell insured mortgage loans, make loans to mortgage lenders on the security of mortgages and purchase the debentures of lending institutions;

NHA, Section 11
CMHC Act, Section 28

On behalf of the Federal Government, join with municipalities in the acquisition and clearance of blighted areas for urban redevelopment;

NHA
Section 23

Undertake jointly with provincial governments the development of serviced land for residential purposes, the construction of new housing projects and the acquisition of existing buildings in urban renewal areas and their improvement or conversion for public housing;

NHA
Section 36

Construct, own and manage housing projects on its own account and on behalf of Federal Government departments and agencies;

NHA, Section 37
CMHC Act, Section 29

Encourage the development of better housing and sound community planning and, in carrying out this responsibility, to undertake or arrange for studies and research on the technical, economic and social aspects of housing.

NHA
Sections 31, 32, 33

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CENTRAL MORTGAGE AND HOUSING CORPORATION

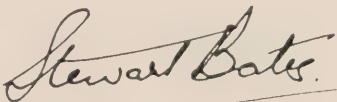
March 9, 1962

Honourable David J. Walker,
Minister of Public Works,
Ottawa, Canada.

Dear Mr. Walker:

On behalf of the Board of Directors, I have
the honour to submit the 16th annual report of
Central Mortgage and Housing Corporation and statement
of accounts for the year ended December 31, 1961.

Yours very truly,



A handwritten signature in cursive script, reading "Stewart Bates", is written over a horizontal line.

President.

CANADA'S HOUSING IN 1961

1961 was a year of significant improvement in house-building activity.

Following the lull that marked much of 1960, there was a strong resurgence in 1961 in the rate of new residential construction and in the volume of National Housing Act lending.

New dwelling starts numbered 125,577 for the year, 15.4% higher than the 1960 total of 108,858. There were 115,608 dwellings completed, 6.6% below the year before. The decline was accounted for in the main by the smaller number of units under construction at the beginning of 1961 compared with the year before—65,773 against 81,905. As a result of the increase in starts in 1961, however, there were 73,583 dwellings under construction at the end of the year.

For the season of the year, starts of new housing units were at an unusually high rate in the first few months of 1961. This arose in part from the easing of statutory borrowing terms under the National Housing Act in December, 1960. After the initial impact of these changes, starts followed a normal seasonal pattern for the rest of the year.

The increase in starts extended to all types of dwellings. Starts of apartments and other types of multi-family accommodation in urban centres represented 49.4% of the total. This was little changed from the 50.4% of the previous year. In 1950 and 1951, the proportion of starts represented by these dwellings was less than 30%, but increased in most years during the 1950's. In 1961, multiple-family dwelling starts declined in Montreal but this decline was offset by increases in Toronto and in a number of the larger cities in the Prairie Provinces and in British Columbia.

Expenditures on house-building activity totalled \$1,467 million in 1961, about 1% higher than in the previous year. These expenditures, which do not include many of the service facilities occasioned by new housing—including schools, shopping centres, sewer and water—represented 17.4% of capital investment in the economy during the year, 4% of the gross national product.

Mortgage funds for new housing from approved lenders were in fairly good supply in 1961 but, in the absence of loans from the chartered banks, they did not prove adequate to meet all demands. They were supplemented, in the National Housing Act

sector, by public funds in the form of loans by the Corporation for which there was steady demand throughout the year.

Mortgage lending under the National Housing Act provided the principal means of financing 59,186 dwellings started in 1961, nearly one-half of aggregate starts. In 1960, the proportion was about one-third, or 32,711 dwellings. The life insurance and trust and loan companies provided the loans for 35,334 housing units, while Corporation loans financed 23,852 dwellings started during 1961. In 1960, the comparable totals were 18,923 and 13,788 units, respectively.

The remaining 66,391 dwellings started in 1961 were financed by means other than under the National Housing Act, a smaller number than the 76,147 financed in this way in 1960. Conventional mortgage loans from lending institutions were the main source of financing for 38,316 dwellings, compared to 40,116 in the previous year. Other means of financing, such as mortgage loans from credit unions and private individuals, the funds of owners themselves and some Government financing of publicly-owned dwellings accounted for the other 28,075 units started in 1961. In 1960, these non-institutional sources of financing accounted for 36,031 dwellings started.

In addition to financing an increased volume of new housing in 1961, the lending institutions were also called upon to provide a much larger volume of mortgage financing on existing dwellings, much of it associated with the sale of properties concerned. In 1961, mortgage loans were made by the lending institutions on 54,036 existing dwellings, compared with 41,396 in the previous year. In total, for new and existing dwellings and for other types of property, the lending institutions approved loans for \$1,384 million in 1961, against \$1,033 million in 1960.

Construction costs for housing were lower in 1961, continuing the trend of the previous year. Building material prices declined slightly, the index averaging 128.4 in 1961, compared with 129.2 in 1960. At the same time, there was a small increase in the index of minimum hourly wage rates for construction workers under union contract, to 199.7 from 195.5 in 1960. The effect of these movements, together perhaps with changes in productivity and in profit margins, resulted in a decline in total construction costs. For single-family dwellings financed under the National Housing Act, construction costs per square foot declined to \$10.44 from \$10.60 in 1960.

Land costs for single-family dwellings financed under the Act increased to \$2,603 from \$2,473 in the previous year.

There was an immediate and widespread response during the year to 1960 legislative changes to the National Housing Act that provided for loans to municipalities for sewage treatment projects and to universities for student dormitory accommodation.

In the field of urban redevelopment, the Federal Government approved in 1961 a \$3.7 million contribution to the City of Winnipeg to assist in the acquisition and

clearance of a blighted area; projects were also under consideration in Kingston and Hamilton; and work continued on eight developments that were initiated prior to 1961.

The Corporation was again actively engaged in the design and construction of housing and related buildings for other Government departments and agencies. A winning design was selected by the Jury of Awards in the architectural competition arranged for development of 70 acres of Corporation-owned land in Ottawa.

The year also saw progress made towards establishment of a "Canadian Council on Urban and Regional Research", as recommended in the *Report of the Committee of Inquiry into the Design of the Residential Environment*, prepared in 1960 by the Royal Architectural Institute of Canada with the aid of a Federal Government grant. The Canadian Housing Design Council and the Community Planning Association of Canada continued to receive support from the Corporation. The examination of cost reducing techniques and the use of new materials for house-building was also continued.

2 MORTGAGE MARKETING

New steps were taken during 1961 to encourage development of the secondary mortgage market in Canada.

Mortgage investment in Canada has been confined largely to those institutions or individuals that originally make mortgage loans to borrowers. The origination of mortgage loans on a large scale requires special organization and skills in credit selection, appraisal and construction inspection, expertise that is quite separate from access to or possession of funds for long-term investment. Partly because of these special administrative requirements, the origination of mortgages by private lending institutions in Canada has been done mainly by life insurance companies, trust companies, loan companies and credit unions, although the banks also began to make loans after the 1954 Housing Act removed the legal obstacles that had earlier prevented their participation. Individuals have also been important in the aggregate as originators of mortgage loans in Canada.

A more active secondary mortgage market, by separating the functions of originating and investing in mortgages, would increase the potential supply of mortgage funds in two ways. First, it would permit the participation of institutional, personal and non-resident investors who are not in a position to originate loans. Second, the liquidity that an active secondary market would impart to the mortgage as an investment, would tend to encourage further mortgage commitments by existing loan originators.

The secondary market could separate the function of owning mortgages, not only from that of originating them, but also from that of administering them. A mortgage portfolio characteristically includes a large number of comparatively small loans to separate individual borrowers, each loan subject to combined monthly payments of principal and interest. As compared to bonds or stocks, mortgages are expensive to administer, particularly on a small scale. The development of organizational skills in mortgage administration is not necessary as a condition of mortgage investment, however, since the servicing of mortgage accounts can be performed for a fee by established originators, or by other lenders equipped to do the job. The mechanical problem of mortgage administration, therefore, except as it constitutes a necessary expense, need not prevent the extension of mortgage investment opportunities to those institutions or persons who are not in a position to administer mortgage loans.

The National Housing Act of 1954 made provision for secondary mortgage market transactions. Approved lenders originating NHA mortgages were permitted to

sell them to other investors, provided the servicing of the mortgages was retained by an approved lender. In this way institutions, and even individuals not organized to originate mortgages, or to administer them, could nevertheless invest in them.

In the period 1954-1961 a resale or secondary market for mortgages has developed slowly but surely. In these years, \$266 million mortgages were sold by approved lenders out of \$3.1 billion mortgages originated by them under the National Housing Act. This means that one out of ten of the mortgages they originated under NHA was resold in the secondary market. On the average, mortgage lenders thus obtained about 9% of the funds they invested in NHA mortgages through the secondary mortgage market.

The major proportion of these mortgages was sold to pension funds. These funds purchased \$170 million, or two out of three mortgages traded in the secondary market. At the end of 1960, pension fund assets totalled \$3.6 billion, just one-half of the \$7.2 billion savings accumulated in chartered banks, and about 45% of the \$8.0 billion assets held by the life companies. The absolute growth of pension fund assets, however, at an annual average of nearly \$400 million over the period 1953-1960, has not been much less than that of life insurance company assets and has exceeded the absolute growth of those bank assets which derive from savings deposits. Only 8% of pension fund assets are invested in mortgages compared to 42% for life companies.

In addition to pension funds, other corporate borrowers were also drawn into the mortgage market through sales made by approved lenders in the secondary mortgage market. This group of investors acquired \$100 million, or one out of three of the mortgages traded in that market. Even individuals purchased a small amount.

Progress in secondary market development, while encouraging, has not represented a major amplification of mortgage money supplies. The mere removal of mechanical difficulties associated with the origination and administration of mortgages and the provision of Government insurance against default has not attracted into the mortgage field a massive contribution from investors who had not previously had mortgage lending experience. Mortgages have features, other than the comparatively high costs of origination and administration, that sometimes affect their attractiveness as investments.

For one thing, NHA mortgages are subject to voluntary repayment by the borrower after they have run three years. This call privilege means investors may have to accept repayment of mortgages, particularly during periods of falling interest rates, when borrowers might be prone to repay their debt and precisely when investors would like to retain investments at their original yields.

NHA mortgages provide their owner with equal monthly payments of combined principal and interest. While this annuity type of payoff may have advantages for certain kinds of investors, such as pensioners and pension funds, it is unfamiliar to most investors and it tends to accentuate the reinvestment problem for small scale investors.

A further difficulty for small investors lies in the inconvenience of the size of

individual mortgages. No really small mortgages would be worth having, because of the administrative expense, and indeed for some time there will be few available.

The very illiquidity of NHA mortgages, in the absence of a continuous and generally accessible secondary market, itself constitutes a difficulty in the way of more rapid development of such a market.

As a compensation for their unique peculiarities, mortgages offer the investor yields that are high in relation to the firmness of security. National Housing Act mortgages in particular are secured not only by the mortgaged property but also by Federal Government insurance against default.

On NHA mortgages, the interest return to the lender, even when the costs of loan origination and administration are allowed for, has characteristically run well above that on long-term Government bonds. The NHA interest rate is set by Government, however, and in the past has not always varied with other interest rates on the market. For one important group of lenders, the banks, there has been no strong incentive to conduct an active selling programme to form the basis of a broader secondary market. NHA insured mortgages acquired by the banks during their first three years of mortgage lending, after the introduction of the new Housing Act early in 1954, were at interest rates from 5% to 5½%. Mortgages acquired from 1957 to 1959 were at 6%. Since late in 1959 the banks have been virtually out of mortgage lending because interest rates had risen to a point where 6% mortgage loans could not compete for their funds with other loans and investments and because, by virtue of the 6% interest rate limit imposed on bank loans by the Bank Act, they were not able to originate loans at the 6¾% NHA interest rate established in December of 1959. The rising trend of interest rates since 1956, and the lack of 6¾% mortgages from their mortgage holdings, meant that the whole mortgage portfolio of the banks would have been marketable in quantity only at a discount. Apart altogether from difficulties associated with book losses, sales at a discount make sense only if the seller can reinvest the sale proceeds at a yield higher than that implicit in the sale, and sufficiently higher that after meeting the expenses of reinvestment, the seller still emerges with a better yielding asset than the one sold. For the most part, banks, because of the 6% limit on their loan interest rates, have not been in a position to do this, and have not sold a substantial amount of their mortgage portfolios.

Life companies, as would be expected, have been less disposed to sell NHA mortgages than the banks, even though since December, 1959 they have been in a position to originate loans at more than 6%. Their prime interest is in holding loans as investments. This is not to say that they would never sell existing NHA loans in quantity in order to reinvest in new NHA loans or other assets. But in the absence of an organized secondary market for NHA mortgages there are other assets which life insurance companies can more conveniently liquidate if they wish to make new investments beyond the limit imposed by their current cash receipts.

Trust and loan companies, in relation to the amount of their lending, have sold

more NHA loans than either the banks or the life insurance companies, but they too have retained the bulk of their insured loan holdings as investments.

Although interest rates on NHA loans are usually judged to be high in relation to those on other long-term investments of comparable security, they have still not been high enough to prompt the spontaneous development of a large private secondary market. This failure is not wholly due to the peculiar investment features of the mortgages themselves. It is more attributable to the novelty of this type of investment, the inexperience of potential purchasers of NHA mortgages, and an exaggerated notion of the difficulties entailed in mortgage investment. Only experience, education and knowledge about mortgage investment can overcome these obstacles. It was with a view to developing a wider knowledge and experience on the part of mortgage purchasers that the Government, early in the year, took steps in this field.

The Minister of Public Works in April, 1961 announced in the House of Commons that "the first step necessary to encourage an active market is to ensure that there is an ample supply of existing mortgages available to interested buyers. Accordingly, the Government has instructed Central Mortgage and Housing Corporation to offer for sale as soon as possible at reasonably attractive yields to investors mortgages now held in its portfolio as a result of the extensive direct lending operations it has undertaken since this Government took office in 1957".

The Minister said it was anticipated that the market could develop in two ways: through the sale of blocks of mortgage loans by one institution to another or among pension funds and trusts; and through sales to a new type of company, some of which were already in existence, which would enable the small investor to participate in the mortgage market through purchase of the debentures or shares of such companies.

In accordance with these instructions, the Corporation started to auction part of its NHA mortgage portfolio. Three such auctions were held during 1961, at which a total of \$40.7 million in mortgages was sold. One-quarter of these was in the form of options which were subsequently taken up. These \$40.7 million in mortgages were sold by tender at which not only the approved lenders and their approved correspondents were invited to bid, but also members of the Investment Dealers' Association of Canada.

Some of the mortgages sold were later resold by the purchasers to pension funds that were not previously investors in mortgage loans. Gradually, new pools of accumulated savings are thus beginning to be tapped for mortgage financing. The mortgage auctions held by the Corporation should enable private investors to gain experience in the mechanics of the secondary mortgage market. In time this should lead to a more active market in which mortgages, as bonds are now, will be readily traded on a continuous basis.

Government activity in 1961 in the secondary market is based on the expectation that, with the development of greater knowledge and familiarity with mortgages and after the early operations of new private institutions in the field, a market based

primarily on private sources of mortgages will develop. The Corporation's activity in this field is not intended as a device to raise cash for its own lending operations, or for other Government purposes. The secondary market will serve a useful purpose only if it draws into the mortgage field new investors, either directly as mortgage holders or indirectly as holders of the obligations of mortgage investment companies. Access to such private funds — pension funds, corporate savings, personal funds, non-resident funds and savings which are available only to a very limited extent for mortgage purposes today — would widen the whole base of mortgage lending in Canada.



3 THE NATIONAL HOUSING ACT

On September 29, the National Housing Act was amended by CH. 61, S.C., 1960-61 as follows:

The amount that may be advanced to the Corporation out of the Consolidated Revenue Fund for direct lending and related purposes was increased to \$2 billion from \$1.5 billion;

The amount that may be advanced to the Corporation out of the Consolidated Revenue Fund for loans for municipal sewage treatment projects was increased to \$200 million from \$100 million;

The amount that may be advanced to the Corporation out of the Consolidated Revenue Fund for loans for university housing projects was increased to \$100 million from \$50 million; and

The amount that may be advanced to the Corporation out of the Consolidated Revenue Fund for housing research and community planning was increased to \$10 million from \$5 million.

NHA
Section 22

NHA
Section 36H

NHA
Section 36C

NHA
Section 35

The main amendments to the National Housing Loan Regulations were as follows:

To make it mandatory for an approved lender to obtain evidence that a home-owner applicant is providing from his own resources an amount represented by land, cash or labour of at least 5% of the value of the house as determined by the Corporation; and that a home purchaser is providing from his own resources an amount represented by cash or labour of at least 5% of the purchase price of the home.

Regulation 28

To provide a penalty where a builder who himself or acting through an agent sponsors a home-owner applicant or sells a house to a purchaser, knowing or reasonably being able to know that the purchaser does not meet the foregoing equity requirements and who fails to disclose such knowledge to the approved lender (Order-in-Council P.C. 1961-907, June 22, 1961).

Regulation 27

Orders-in-Council affecting interest rates were passed as follows:

The interest rate on loans made under Sections 16, 36B and 36F was increased to 5 $\frac{3}{8}$ % from 5 $\frac{1}{8}$ % (Order-in-Council P.C. 1961-551, April 13, 1961).

The interest rate on loans made under Sections 16, 36B and 36F was reduced to 5 $\frac{1}{8}$ % from 5 $\frac{3}{8}$ % (Order-in-Council P.C. 1961-1493, October 19, 1961).

The maximum interest rate on insured mortgage loans was reduced to 6 $\frac{1}{2}$ % from 6 $\frac{3}{4}$ % (Order-in-Council P.C. 1961-1559, October 30, 1961).

Principal policy changes in 1961 were as follows:

The Corporation was directed by the Government to stimulate development of a secondary market in National Housing Act insured mortgages;

Applications received after January 1 from limited-dividend companies sponsored by entrepreneurs were subject to a maximum loan of 85% of lending value (previously 90%); a maximum of 100 units in any project (previously 200); and an average number of bedrooms per unit of not less than 2 $\frac{1}{2}$ (previously 1 $\frac{1}{2}$);

On January 1, further restrictions were introduced on the use of septic tank installations for houses to be financed under the National Housing Act;

On and after September 20, all applications for NHA loans in one-industry towns became subject to a guarantee by the industry.

4 REPORT OF OPERATIONS

The life insurance and trust and loan companies continued to provide the major share of National Housing Act mortgage financing in 1961. The year was marked by a sharp increase in the volume of NHA lending by the trust companies.

Together, these lenders were responsible in 1961 for loans aggregating \$439.4 million, or 62% of total commitments. The Corporation made available \$263.4 million from public funds, while the chartered banks made insured mortgage loans of \$261,000.

In all, 61,353 dwelling units were financed under the Act in 1961. Of these, 60,438 were built with mortgage loans — 36,810 by approved lenders and 23,628 by the Corporation. Federal-Provincial partnership arrangements accounted for 915 dwellings. In 1960, 37,308 units were financed under the Act (Tables 1, 2 and 3).¹

Insured Loans by Approved Lenders

NHA
Sections 6, 7, 8

The volume of insured lending by the life insurance and trust and loan companies increased over 1960 by approximately 89%. The pattern of lending during the year, however, was quite different from that of 1960 when activity was relatively low until after mid-year and then increased. In 1961, lending activity was at a very high rate early in the year. This was followed by a somewhat lower rate of lending through the summer and then an expansion in the last few months of the year.

At the year-end, the life insurance and trust and loan companies had approved loans for 36,791 dwellings, compared with 21,111 in 1960 and, of the 1961 total, the trust companies were responsible for 14,426 units. Previously, their record volume in any year was 5,195 units, approved in 1960.

The chartered banks made loans for only 19 dwellings. However, some banks purchased NHA insured mortgages from the Corporation through its secondary mortgage marketing operation.

The total of 36,810 units financed by all approved lenders in 1961 was higher than the 1960 aggregate at 21,156 by 74% (CHS — Table 26).²

Some 71% of the dwellings financed by approved lenders in 1961 were for owner occupancy — 22,704 to be built by merchant builders for sale to owners and 3,494 by owner applicants who made their own construction arrangements. Loans were also made for 10,612 units of rental accommodation. In 1960, approved lenders made

1) All references to "Tables" are to tables in this report. All references to "CHS" are to *Canadian Housing Statistics, 1961*.

2) Because the approval of loans precedes starts by several weeks, loans made late in one year may not produce starts until the next. Starts and loan figures on an annual basis are therefore not identical.

loans to merchant builders for 12,966 dwellings, to owner applicants for 2,594 and to rental investors for 5,596 units.

Loans approved for fallout shelters in new NHA dwellings numbered 40 with an estimated average cost of \$597.

Loans by the Corporation

With a lending policy that was less restrictive than that in force in the previous year, the Corporation was called upon to approve a volume of mortgage loans sharply in excess of the total for 1960. To ensure an adequate supply of public funds, Parliament approved in September a maximum of \$2 billion, thus increasing by \$500 million the amount that may be advanced by the Government to the Corporation for direct lending purposes.

During the year, the Corporation made mortgage loans for 23,628 dwelling units, including 20,298 to be occupied by home owners and 3,326 in limited-dividend housing projects. In 1960, the Corporation made loans for 13,861 dwellings for owner occupancy and 1,591 for rental in limited-dividend developments.

CORPORATION LOANS TO OWNERS AND BUILDERS

During 1961, Corporation loans were available to qualified owner applicants in any part of Canada and to merchant builders, provided the houses to be financed had been pre-sold to eligible purchasers. In both instances, applicants were required to submit written evidence that they had been unsuccessful in obtaining loans from an approved lender. The income limitations imposed and later removed in 1960 were not re-introduced during the year. There was a more restrictive lending policy in effect where septic tank installations were proposed.

NHA
Section 40

Loans were made by the Corporation to home-owner applicants for 13,535 dwellings and to merchant builders for 6,763 dwellings.

Included in the home-owner approvals were 317 for veterans building under Part II of the Veterans' Land Act and 87 dwellings in co-operatives. In 1960, loans to owner applicants provided 10,168 homes and to builders 3,693.

LOANS TO LIMITED-DIVIDEND HOUSING COMPANIES

In 1961, 3,326 dwelling units were financed by loans made by the Corporation to limited-dividend housing companies providing rental accommodation for lower-income families and for elderly persons. These compare with 1,591 units in 1960. A substantial number of the 1961 approvals came early in the year and resulted from the encouragement given to winter construction by more favourable terms to limited-dividend companies sponsored by entrepreneurs, provided their applications were made on or before December 31, 1960.

NHA
Section 16

Applications submitted after January 1, 1961 were subject to more restrictive conditions and entrepreneurs virtually withdrew from the limited-dividend field.

particularly in the larger centres where most of these units have been built and where demand has consequently largely been met. Principal conditions were a maximum loan of 85% of lending value; a maximum of 100 units in any project; and an average number of bedrooms per unit of not less than 2½.

Projects sponsored by municipalities and non-profit organizations were not subject to these limitations and a substantial number of applications continued to be received. Most of them were for smaller projects for elderly persons.

Limited-dividend developments approved in 1961 provided 2,747 units for lower-income families and 579 for elderly persons. Municipalities and non-profit organizations sponsored projects totalling 724 units, while entrepreneurs were responsible for 2,602 units. Limited-dividend housing continued to be directed to families of the lower third income group.

Characteristics of NHA Borrowers and Houses

The cost of the average single-family house financed under NHA in 1961 was an estimated \$14,474. In addition, a mortgage insurance fee of \$240 on the average was included in the mortgage. In 1960 the average estimated cost of single-family dwellings was \$14,380 and the average mortgage insurance fee was \$227. The average down payment on the house was \$2,475 in 1961 compared with \$3,033 in 1960, the decrease reflecting the higher loan ratios and greater maximum loans made available late in 1960. Monthly payments of principal, interest and municipal taxes came to \$105 and represented 21.7% of the borrower's average income. Monthly payments of \$100 in 1960 took 21.2% of the average borrower's income.

Some 34% of all NHA borrowers had incomes below \$5,000, 56% had incomes between \$5,000 and \$7,999 while the remainder had incomes of \$8,000 or more. The average income of all NHA borrowers was \$5,810 compared with \$5,620 in 1960.

Borrowers obtaining loans from approved lenders had an average income of \$6,417 and built or bought a house costing \$15,629, excluding the mortgage insurance fee. Corporation borrowers had an average income of \$5,351 while the average cost of the homes financed was \$13,604.

The age of the average owner of a house financed under the National Housing Act in 1961 was 34 years, 33 years in 1960. There were one or two children in the families of 50% of borrowers, while 29% of the families had three or more children.

Bungalows continued in 1961 to be the main type of dwelling for home-ownership financed under the National Housing Act, representing 79% of the total of these dwellings. Split-level dwellings continued to increase in importance, representing 17% of the houses for home-ownership financed under the Act in 1961. In 1960, these represented 15% of the total and in 1954, only 1.5%. Two-storey dwellings accounted for 3% of the total.

Most of the 1961 dwellings had three bedrooms but there was an increase in the proportion with four bedrooms or more to 12.3% in 1961 from 7.4% in 1960. This was the result, in part, of the higher maximum loan for these dwellings, made available

in December, 1960. It also reflected an increase in the average liveable floor area of NHA financed dwellings, to 1,154 square feet in 1961 from 1,125 square feet in 1960.

Loans for University Housing Projects

There was a ready response during the year to the National Housing Act amendment of December 2, 1960 that provided for Corporation loans to universities to assist in the construction of resident accommodation for students.

NHA
Section 36B

Loans in an aggregate amount of more than \$20 million were made to 22 universities and colleges for residences to house some 4,300 students (Table 7). Preliminary applications had also been received by the year-end from 11 universities which, if approved, would result in loans aggregating \$14.7 million to finance accommodation for an additional 3,500 students.

A student residence may contain facilities other than living quarters that are necessary to the operation of the project, including dining space, lounges, study rooms and accommodation for supervisory staff.

The amount of loan may be up to 90% of the cost of the project and repayment may be made over a period not exceeding the useful life of the building and in any case not more than 50 years from the date of completion. The rate of interest was increased to 5 $\frac{3}{8}$ % from 5 $\frac{1}{8}$ % in April and reduced again to 5 $\frac{1}{8}$ % in October, 1961. Maximum loan is \$7,000 per student to be accommodated.

Institutions eligible for loans under this section of the Act are all degree-conferring universities or colleges, together with other institutions in which courses of full university standard are given, although the degree may be conferred by a university with which it is affiliated.

The statutory limit on the amount that may be advanced to the Corporation for university housing loans was increased by Parliament in September, 1961 to \$100 million from \$50 million.

In June, the Province of Quebec enacted legislation which enables it to guarantee loans made by the Corporation to universities and colleges in the Province. The legislation also enables the Province to make repayments of principal and interest on behalf of these institutions.

Loans for Municipal Sewage Treatment Projects

During the year, 116 municipalities obtained 144 NHA sewage treatment project loans in an amount of some \$39.9 million to assist in resolving the problems arising out of water and soil pollution (Table 8).

NHA
Section 36F

At the year-end, there were also on hand some 238 preliminary enquiries, representing a loan potential of \$79.3 million.

Loan requests have been received not only from all provinces but from municipalities of every size. Loans have been made to 78 communities of less than 5,000 population and, of these, 63 have less than 2,000 population and 50 less than 1,000.

In most of these smaller communities, sewage systems are being provided where

they did not exist before and have, in many instances, encouraged the installation of public water systems to replace individual wells.

Federal sewage loans have also enabled many major centres to extend their trunk sewage systems and either enlarge or, where none existed, establish sewage treatment plants. Because sewage disposal and treatment have as one of their objectives the prevention of damage to receiving waters, including contamination of water supplies, bathing places and fishing grounds, the programme is already doing much to free rivers and streams, lakes and coastal waters of pollution.

The amount of an NHA loan to assist in financing the construction or expansion of trunk sewage collector systems and of central treatment plants is limited to two-thirds of the cost of the project and is repayable over a period of not more than 50 years. The interest rate on municipal sewage treatment project loans was increased to $5\frac{3}{8}\%$ from $5\frac{1}{8}\%$ in April and reduced again to $5\frac{1}{8}\%$ in October, 1961.

To encourage municipalities to tackle the problem of pollution without delay, one-quarter of the loan and one-quarter of the interest paid or accrued will be forgiven if the project is completed on or before March 31, 1963. Where the construction programme is started but not completed by March 31, 1963, one-quarter of the loan, and interest, for construction put in place may be forgiven.

To ensure an adequate supply of funds to continue the programme, the statutory limit on monies that may be advanced to the Corporation for this purpose was increased by Parliament in September to \$200 million from \$100 million.

National Housing Act Mortgages Outstanding

At the end of 1961, \$4,570 million of mortgage debt was outstanding from various operations under the Housing Acts, compared to \$4,103 million at the end of 1960. Most of the outstanding debt, \$3,632 million, resulted from insured loan operations under the 1954 National Housing Act, but there was also \$567 million from the joint loan operations of earlier Housing Acts. A further \$371 million represented uninsured Corporation loans and loans resulting from the sale of Corporation-owned property.

Of the \$3,632 million of mortgage debt resulting from insured loan operations, \$2,580 million represented loans by lending institutions while the remaining \$1,051 million resulted from Corporation loans made mainly to home owners on a residual basis. The \$567 million debt outstanding from joint loan operations prior to the 1954 Act included \$413 million advanced by the approved lenders and \$154 million by the Corporation. The \$371 million of uninsured Corporation loans comprised \$165 million from limited-dividend loans, \$76 million from loans under rental guarantee contracts and loans to primary industries. A further \$29 million represented direct loans to home owners prior to the 1954 Act while the remaining \$101 million was for mortgages and sale agreements arising out of the sale of Corporation-owned property.

In total, the outstanding mortgage debt resulting from operations under the Housing Acts included \$2,994 million from loans made by the approved lenders and \$1,576 million from loans made by the Corporation.

HOLDINGS OF NATIONAL HOUSING ACT MORTGAGES

As a result of mortgage lending under the Housing Acts, and subsequent transactions on the secondary mortgage market, the lending institutions held \$2,723 million in mortgages under the Housing Acts at the end of 1961. Of this, \$953 million was held by the chartered banks, \$1,537 million by the life insurance companies and \$137 million by trust companies. The remaining \$96 million was held by loan companies, fraternal societies and Quebec savings banks.

A further \$280 million was held by pension funds, trust funds, individuals and other investors in the secondary mortgage market who are not approved lenders. All of these mortgages must, however, be administered by approved lenders.

The remaining \$1,567 million of mortgages outstanding under the various operations of the Housing Acts at the end of 1961 was held by the Corporation, being much the largest share held by any single institution. These outstanding mortgages and sale agreements represented 133,979 accounts of which 114,217 were administered by the Corporation and the remaining 19,762 by approved lenders as agents. Prior to the expansion of direct lending in mid-1957, the Corporation had 38,149 accounts under administration.

At the end of 1961, arrears of three months or more on Corporation administered accounts amounted to \$767,000 compared to \$791,800 at the end of 1960. On homeowner mortgage loan and sale agreement accounts, 0.55% of the accounts were in arrears for three months or more. At the end of 1960, 0.47% of accounts were in this position.

GUARANTEES, INSURANCE AND FORECLOSURES

Under arrangements for guarantee of losses sustained by the approved lenders on joint loans the Corporation had a contingent liability of \$60 million at the end of 1961. Foreclosure procedures were completed during the year in three cases.

The mortgage insurance settlement terms of the Act provide for payment on the principal outstanding, certain interest charges and other expenditures incurred in the acquisition and transfer of a property to the Fund. Assets of the Mortgage Insurance Fund amounted to \$87 million at the end of 1961. Claims against the Fund were paid out in 833 cases in 1961, bringing the total to date to 997. These claims, from 1954 to 1961, amounted to \$11.7 million. In addition to the 833 claims paid from the Fund in 1961, there were nine other cases where the mortgaged property was acquired by the lender but for which no claim was made against the Fund. Since 1954 there have been 43 such cases.

Default in payments on mortgage and sale agreement accounts resulted in repossession of four properties by the Corporation during the year. Default in payments on limited-dividend loans, which are direct loans made by the Corporation to which loan insurance is not applicable, resulted in acquisition of 12 projects comprising 2,016 dwelling units. Of these, 10 projects totalling 1,872 units are in the Montreal area.

Fourteen claims were paid in 1961 under rental guarantee contracts, amounting to \$193,000. Since 1952, 48 claims have been paid, amounting to \$863,000.

Mortgage Marketing

NHA
Section 11

During 1961, the Corporation undertook to encourage the development of a secondary market for National Housing Act insured first mortgages by offering for sale a part of the large and diversified portfolio acquired as a result of extensive lending operations since 1957.

Three offerings were made by tender during the year to members of the Investment Dealers' Association of Canada, NHA Approved Lenders and their NHA Approved Correspondents. Parcels varied in size from \$250,000 to \$500,000 and both firm bids and 60-day options were permitted. To give purchasers a reasonable time for re-sale, the Corporation agreed in each instance not to sell additional loans until the option period had expired.

Insured mortgages auctioned in 1961 all carried an interest rate of $6\frac{3}{4}\%$, were fully advanced and were repayable over a period of 25 or 30 years. When requested, the Corporation undertook to continue to service the loans for a fee of \$2.75 per loan per month.

During the year, a total of \$51 million of mortgages was offered by the Corporation, with tenders to be accepted on only \$45 million, the balance providing prospective purchasers with a greater variety in choice of area. Proceeds of sales are used to retire Corporation debentures held by the Federal Government.

Indicating a growing interest in NHA insured mortgages as investments, \$40.7 million of the Corporation's portfolio, representing 3,610 loans, were sold to investment dealers, banks and life insurance and trust and loan companies, or held against options. A large number of the loans sold were re-sold to pension funds, which had not previously included mortgage investments in their portfolios.

The average price per \$100 received on the three offerings was 101.17, 101.35 and 101.79 respectively. The increase in the average price obtained in the third auction of $6\frac{3}{4}\%$ loans undoubtedly arose in part out of the reduction in the NHA maximum interest rate to $6\frac{1}{2}\%$; it also reflected increased interest and more competitive bidding on the part of purchasers.

Total sales of NHA insured mortgages by approved lenders on their own accounts amounted in 1961 to \$22 million, below the average of the previous four years and less than the volume in 1960. Trust and loan companies were the major sellers in 1961, accounting for about \$20.5 million, compared with \$11.3 million in 1960, while bank sales were sharply lower at \$1.6 million against \$6.3 million a year ago. Life insurance companies did not sell any mortgages; in 1960, they sold \$9 million in NHA insured mortgages. Total sales under the 1954 Act aggregate \$309 million, including sales by the Corporation.

Pension funds have in most years been the main purchasers, accounting for some

\$170 million since 1954. In 1961, the Corporation sold insured mortgage loans to its Pension Fund in an amount of \$2.5 million.

Home Improvement Loans

The volume of NHA-guaranteed bank loans for home improvement purposes recorded a substantial increase during 1961. The greater activity arose in part out of extension late in 1960 of home improvement loans to rental properties and additions to the list of eligible improvements, including fallout shelters.

NHA
Sections 24, 25,30

The banks approved 28,097 loans in 1961 for a total of \$42.6 million, compared to 23,580 loans for \$30.1 million in 1960. Included in the 1961 figures are loans on rental properties amounting to \$3.3 million and for 80 fallout shelters with an average estimated cost of \$889 (Table 5).

Home improvement loans outstanding at the end of 1961 were reported by the banks at \$65.9 million, compared with \$56.3 million at the end of 1960. The maximum amount guaranteed by the Corporation against losses, which is limited to 5% of total loans made by each lender, was \$11.3 million, compared with \$9.4 million at the previous year-end. The Home Improvement Loan Insurance Fund, comprised of fees received from borrowers, amounted to \$2.2 million, against \$1.9 million at the end of the preceding year.

Claims paid to lenders during 1961 amounted to \$241,185, compared with \$107,230 in 1960. Claims paid since 1955, when the Home Improvement Loan provisions were proclaimed, total \$544,299 on loans amounting to \$237.4 million. Recoveries by the Corporation during the year amounted to \$17,917, bringing total recoveries to \$43,534.

Property Management

A number of residential properties are owned and managed by the Corporation. Most are rental dwellings built for the accommodation of war veterans. The second largest category comprises units acquired from former limited-dividend companies.

NHA
Section 37
CHMC Act
Section 29

At the beginning of 1961, 10,707 houses and apartment units were under rental. During the year, 1,099 houses were sold, most of them to occupying tenants. Four single houses, 144 row houses and 1,872 apartment units were acquired as a result of default in payments. Of the total of 2,020 units, 2,016 were in limited-dividend projects. The total under management at the end of the year was 11,628 dwelling units.

In addition, the Corporation was administering 870 dwelling units on behalf of the Mortgage Insurance Fund, of which 490 are located at Elliot Lake. Some 428 Mortgage Insurance Fund properties were rented, 380 were vacant and available for sale or rent and 62 sales were in process. There were 78 Mortgage Insurance Fund properties sold in the year. Three properties acquired by the Home Improvement Loan Insurance Fund were rented.

In 1961, rental revenues from Corporation-owned dwellings amounted to \$7.2 million. This represents an average annual rental of \$643 compared with \$635 in 1960.

The increase is attributable mainly to larger amounts collected for higher payments in lieu of taxes. At the end of the year, rental arrears amounted to \$101,379 or 1.42% of the annual rent receivable. Of these arrears, 54% was of not more than thirty days' duration. At the end of 1960 arrears amounted to \$53,277 or 0.76% of the annual rent receivable.

Operating expenses, excluding cost of administration and depreciation, amounted to \$3.9 million in 1961. These expenses averaged approximately \$345 per unit; in 1960 they amounted to about \$307 per unit. The higher unit cost is largely the result of heavier maintenance on older dwellings and replacement of capital equipment.

In 1961 payments of \$2.0 million in lieu of taxes were made to municipalities on Corporation-owned houses compared with payments of \$1.9 million in 1960. At the end of 1961, payments equal to normal taxes were being made on 9,961 dwellings.

Urban Redevelopment

NHA
Section 23

Under the National Housing Act, the Federal Government may contribute to a municipality up to one-half the cost of acquiring and clearing blighted or substandard areas for redevelopment (Table 4).

During 1961, an amount of \$3.7 million was approved by the Government for these purposes to the City of Winnipeg. The cleared land of some 49 acres will be devoted mainly to new housing, although some will be made available for commerce and industry. Revenues derived from re-use of the land will be shared by the participating governments in proportion to their contributions.

Urban redevelopment projects for the Cities of Kingston and Hamilton were under consideration, and work continued on eight projects initiated prior to 1961.

A supplementary grant of \$1 million was made during the year towards final acquisition and clearance costs of Les Habitations Jeanne Mance, first redevelopment project in the City of Montreal; and an additional grant of \$375,000 was approved to assist in financing a 4-acre extension of the Jacob Street renewal area in Halifax.

At the year-end, the Government received an application for a contribution towards a second project in Montreal and proposals were under consideration by a number of other municipalities.

Federal-Provincial Projects

NHA
Section 36

The National Housing Act provides for a sharing of the costs of housing and land assembly projects under Federal-Provincial partnership arrangements. The Federal Government assumes 75% of the capital costs and the province is responsible for the balance—all, or a part of which, the municipality concerned may be required to finance. Surpluses or deficits arising out of the operation of rental housing projects and returns from the sale of lots are shared by the respective governments on the basis of capital outlays.

In Nova Scotia and Prince Edward Island, provincial Housing Commissions assist in arranging for Federal-Provincial housing for sale to co-operative companies.

RENTAL HOUSING

During 1961, the Federal Government approved rental housing projects under Federal-Provincial arrangements in Oshawa, Sudbury, Toronto (Warden Avenue and O'Connor Drive) and Vancouver that will provide 915 dwellings. Investigations into proposals for projects in 18 municipalities were also approved.

At the year-end, a total of 10,520 Federal-Provincial rental units had been approved in 86 projects (Table 4). In 75 fully-completed developments, 8,463 dwellings had been transferred to local housing authorities for administration. Rents for approximately 3,000 of these units were set at a level sufficient to recover capital costs and to meet the operating expenses. For the remainder, rents are related to family income and size; the Federal Government's 75% share of operating deficits incurred during 1960 and paid during 1961 amounted to \$1.0 million.

Under the Housing Commission arrangements, projects were approved for 94 dwellings for sale in Nova Scotia and for 93 in Prince Edward Island. Since the inception of the arrangement in Nova Scotia in 1953, projects comprising 1,010 housing units have been approved, while two years of activity in Prince Edward Island have produced 103 units.

LAND ASSEMBLY

During 1961, approval was given to service 229 lots in Peterborough, 540 in Kingston and 315 in St. Thomas in phased developments of long-term land assembly projects. The investigation of proposed developments in Sudbury and Tisdale Township was approved.

Some 600 lots were offered for sale during the year in projects started earlier in Brantford, Kenora, Weyburn, Peterborough and Cornwall.

The sale of 501 lots in 1961 brought to 9,089 the number of lots serviced and sold under Federal-Provincial partnership arrangements.

Negotiations for acquisition of the first substantial area of the 500 acres of land approved for ultimate development in St. John's neared completion during the year.

Urban Renewal Studies

With approval of the Federal Government, the Corporation arranged in 1961 to assist the municipalities of Calgary, Hull, Niagara Falls, Sudbury and Metropolitan Winnipeg and the Province of Manitoba with studies of housing and urban development (Table 4). Objective of the studies is to identify blighted areas, determine housing requirements and provide data on which an orderly programme of development, renewal or conservation may be based. Corporation financial assistance may be up to 75% of the cost of a study. Contributions in 1961 totalled \$129,524.

During the year, reports of studies commenced in earlier years with Federal assistance in London, St. John's, Quebec City and Montreal were completed and published. Similar investigations were in progress in 10 other municipalities.

Design and Construction

The design and construction of housing and related buildings and services for its own account and for other Government departments and agencies is a continuing responsibility of the Corporation, which also provides consulting services in the fields of architecture and planning. In 1961, most of these activities were carried out for the Department of National Defence, the Department of Northern Affairs and National Resources, Atomic Energy of Canada Limited and for Federal-Provincial partnerships (Table 6).

During the year, the design of 17 Federal-Provincial projects was undertaken, including 650 units of rental accommodation in Toronto and 100 in Saint John, together with land assembly developments totalling some 1,700 acres at Toronto, Ottawa, Kingston and St. John's. Construction was started on Federal-Provincial rental housing projects in Vancouver, Windsor, Toronto, Saint John, Regina and Halifax, 867 dwellings in all.

Plans were complete or in process for 11 Urban Military Housing projects numbering nearly 2,000 dwelling units for the Department of National Defence. These, to be privately owned, include developments at Red Deer, Winnipeg, North Bay, London, Perth, Carp, Summerside and Dartmouth. Construction was under way at the year-end on 200 dwellings at Summerside and 300 at Ottawa (Uplands).

Four housing projects at North Bay, Summerside, Greenwood and Shilo, numbering 600 Crown-owned units in all, were also designed for the Department of National Defence. Construction was proceeding in 1961 at Greenwood and Shilo.

On behalf of Atomic Energy of Canada Limited, the Corporation awarded the first construction contracts in 1961 for servicing of land for the townsite of Pinawa. Development of the town, located on the Winnipeg River some 70 miles northeast of Winnipeg, is planned over a 12-year period with an eventual estimated population of 7,000. The overall town plan was nearing completion in 1961, preliminary designs for the commercial centre were prepared by the Corporation and designs for the first housing units were under way. Consultant architects were retained to prepare designs for the school and hospital.

At the request of the Department of Northern Affairs and National Resources, a metropolitan plan was being prepared for Whitehorse, Yukon Territory.

A winning design in the architectural competition arranged for the development of 70 acres of Corporation-owned land on Smyth Road, Ottawa, was selected by the Jury of Awards in July. The competition was the first of its kind in Canada and is intended to demonstrate the advantages of imaginative and comprehensive design in the development of a residential area. It is intended that working drawings will be prepared by the architect who submitted the winning design.

To assist in improving the quality of planning and design, reviews were again made of housing layouts in developments intended for NHA financing, limited-dividend housing and insured rental projects.

Housing Research and Community Planning

The Corporation is required by the National Housing Act to assist in the search for better housing and the development of communities in accordance with sound planning principles.

NHA
Sections 31-35

In carrying out these responsibilities, the Corporation engages in studies of many facets of housing in Canada and also provides financial assistance to other organizations and to individuals to undertake research into housing and community planning. In furthering these activities during 1961, more than \$1 million, including related salaries, was expended both directly by the Corporation and to assist in financing the work of other agencies (Table 9).

TECHNICAL INVESTIGATIONS

An additional grant was made in 1961 to the Ontario Research Foundation for full scale field trials and laboratory research on self-contained household sewage purification units. Three units received field testing in houses in Ottawa and Toronto, while another unit was shipped to the Frobisher Bay area for installation in a new school at Cape Dorset. Arrangements were made with Canadian Patents and Development Limited to proceed with a patent application for these units. Patents have been applied for and are pending in Canada and the United States.

Investigations were again carried out into the performance of new materials, methods and equipment in order to determine their suitability for use in houses financed under the National Housing Act. The work was carried out in association with the National Research Council, the Department of Forestry, the Department of Public Works and the Department of Mines and Technical Surveys.

A member of the Corporation's staff served as Canadian Government adviser and Government member of the Committee on Workers' Housing at the 45th Session of the International Labour Conference in Geneva, Switzerland.

The Corporation assisted the Division of Building Research, National Research Council, with development of *Housing Standards, Canada (1962)*, which is designed to supplement Part IX of the *National Building Code*.

COMMUNITY PLANNING AND HOUSING INVESTIGATIONS

Progress was made during the year towards establishment of a "Canadian Council on Urban and Regional Research", as recommended in the *Report of the Committee of Inquiry into the Design of the Residential Environment* prepared in 1960 by the Royal Architectural Institute of Canada with the assistance of a Federal Government grant. Principal objective of the Council will be to encourage urban and regional research. The founding of the proposed Council will take place in the Spring of 1962.

The Community Planning Association of Canada continued to receive support from the Corporation.

Five travelling scholarships were awarded to students in schools of architecture

to undertake a tour of Canada and the United States for the purpose of obtaining a broader knowledge of housing design and construction in these countries.

Thirteen planning fellowships of \$1,500 each were awarded to students registered in the four Schools of Planning in Canada. Seven housing bursaries of \$1,200 each were also awarded to assist students in graduate courses at Canadian universities in the fields of housing, urban development and estate management.

To assist in the preparation of a *Co-operative Housing Administrative Manual*, the Institute of Social Action at St. Patrick's College, Ottawa, was awarded a grant. The Co-operative Union of Canada was also awarded a grant to carry out an over-all study of co-operative housing.

The President and three senior officials of the Corporation visited London, Stockholm, Amsterdam and Glasgow in November to study the arrangements that are made in these centres for the production of public housing.

Under United Nations' auspices, a member of the Corporation's staff undertook to direct the organization of an Institute of Planning at the Kwame Nkrumah University of Science and Technology in Kumasi, Ghana.

A grant was made to a Canadian scholar undertaking graduate studies at the University of Washington in the field of Urban Geography and Economics.

The Centre for Community Studies at the University of Saskatchewan is receiving financial assistance to undertake over a period of three years a study of housing and rural communities in the Prairie Provinces.

The Lower Mainland Regional Planning Board of British Columbia received a grant to assist in conducting a survey of selected sections of the suburban areas of Greater Vancouver to determine the attitudes of residents towards living in the fringe areas of a large metropolitan city.

HOUSE DESIGN

Federal support was again given to the Canadian Housing Design Council in its work of encouraging an improvement of house design in Canada.

The Corporation continued to work closely with the architectural profession in developing a series of new plans for its catalogue of *Small House Designs*.

Organization and Staff

Head Office of the Corporation is in Ottawa. Fifty field offices throughout Canada carry out its varied activities.

Appropriate changes in organization were made during the year as a result of new and expanding functions of the Corporation, including the financing of municipal sewage treatment projects and university housing, secondary mortgage market operations, a high level of lending activity and the expansion of administrative responsibilities arising out of a continuing increase in mortgage and property accounts. At the year-end, Corporation staff numbered 2,056 compared with 1,896 at the end of 1960.

Following a recommendation by the Board of Directors, the Prime Minister, the Right Honourable John G. Diefenbaker, announced the re-appointment of Dr. Stewart Bates as President of the Corporation for a further term of seven years.

The President and the Board of Directors again wish to record their appreciation of a loyal and conscientious staff who discharged their duties so efficiently during the year.

Accounts

Total revenue earned in 1961 amounted to \$94,770,598 compared with a total of \$79,925,673 earned in 1960.

Net revenue in 1961 after provision of \$5,731,000 for income tax, was \$5,731,983, an increase of \$499,571 over the total of \$5,232,412 reported in 1960. After transferring this amount to the Reserve Fund and adding to it \$4,799,421 realized from the sale of property acquired from the Government of Canada, the sum of \$10,531,404 was credited to the Receiver General. In 1960 a total of \$10,102,734 was credited to the Receiver General including \$4,870,322 realized from the sale of property acquired from the Government.

Total assets of the Corporation were reported at the end of 1961 in the amount of \$1,849,141,582 compared with \$1,642,461,034 at the end of 1960.

AUDITORS' REPORT

TO THE MINISTER OF PUBLIC WORKS:

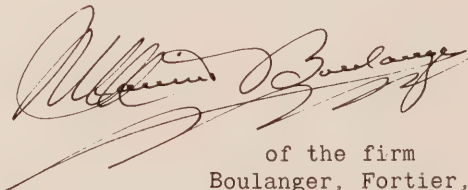
We have examined the attached financial statements of Central Mortgage and Housing Corporation for the year ended December 31 1961 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we have considered necessary in the circumstances.

In our opinion, proper books of account have been kept and the transactions of the Corporation that have come under our notice have been within the powers of the Corporation.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the Corporation, the attached financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Corporation as at December 31 1961 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

 F.C.A.

of the firm
Price Waterhouse & Co.

 C.A.

of the firm
Boulanger, Fortier,
Rondeau & Cie

Ottawa, February 8 1962

FINANCIAL STATEMENTS

December 31 1961

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VIII

Assets of the Mortgage Insurance, Home Improvement Loan
Insurance and Rental Guarantee FundsReserves for Mortgage Insurance, Home Improvement Loan
Insurance and Rental Guarantees

CENTRAL MORTGAGE AND HOUSING CORPORATION

Assets	1961	1960
Cash	\$ 4,076,514	\$ 4,471,147
Accounts receivable, less allowance of \$66,926 for doubtful accounts.	1,762,800	1,016,693
Expenditures recoverable from Provincial Governments under Federal-provincial Agreements	1,778,983	2,483,604
Due from the Minister of Public Works on current account	462,847	369,846
Due from the Minister of Public Works for losses (net) in respect of loans, guarantees and other commitments under the Housing Acts	856,734	126,753
Loans under the Housing Acts, including \$7,267,160 interest accrued or receivable	1,478,794,076	1,302,744,814
Agreements for Sale and Mortgages arising from sales of properties, including \$443,601 accrued interest	101,739,789	103,150,772
Advances to Municipalities and others on deferred repayment terms, including \$31,467 accrued interest	4,673,825	4,895,458
Real Estate, including business premises — at cost or at values placed by the Board of Directors on properties acquired without cost from the Government of Canada less \$19,686,973 accumulated depreciation	73,358,710	62,330,262
Corporation's share in the joint ownership of Real Estate under Federal-provincial Agreements	86,372,920	79,828,589
Office furniture and equipment, less \$1,400,122 accumulated depreciation	396,501	410,546
Bonds held as deposits	1,924,400	2,560,250
Other assets	255,114	203,241
	<u>1,756,453,213</u>	<u>1,564,591,975</u>
Assets of the Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantee Funds	92,688,369	77,869,059
	<u>\$1,849,141,582</u>	<u>\$1,642,461,034</u>
Mortgages under administration for Investors	\$ 9,040,151	\$ 413,621

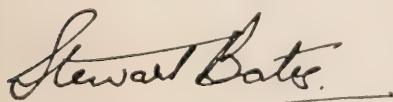
STATEMENT OF FINANCIAL POSITION — DECEMBER 31 1961


(with comparative figures for 1960)

STATEMENT

Liabilities

	1961	1960
Accounts payable and accrued liabilities	\$ 2,316,406	\$ 2,579,458
Deposits and contractors' holdbacks	6,931,978	7,964,948
Unearned fees, rentals, and payments received on sales of Real Estate in process of execution	688,635	704,126
Employees' Retirement Account	82,190	88,312
Due to the Receiver General in respect of the excess in Reserve Fund over statutory limitation	10,531,404	10,102,734
Estimated income tax less instalments paid	3,109,714	2,690,657
Borrowings from the Government of Canada, evidenced by debentures of the Corporation:		
For lending under the Housing Acts, including \$10,695,321 accrued interest	1,465,617,052	1,273,660,565
For acquisition and construction of Real Estate under Federal-provincial Agreements, including \$895,233 accrued interest	94,028,974	87,191,278
For acquisition and construction of Real Estate, including \$1,357,295 accrued interest	90,387,197	93,084,467
Surplus arising from valuation of properties acquired without cost from the Government of Canada	3,272,151	3,569,691
Unrealized profits on Real Estate sold on deferred payment terms	49,487,512	52,955,739
Capital, authorized and fully paid by the Government of Canada	25,000,000	25,000,000
Reserve Fund	5,000,000	5,000,000
	1,756,453,213	1,564,591,975
Reserves for Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantees	92,688,369	77,869,059
	\$1,849,141,582	\$1,642,461,034
Equity of Investors in Mortgages under administration . . .	\$ 9,040,151	\$ 413,621


 President


 Chief Accountant

STATEMENT OF INCOME AND EXPENDITURE

Income

Interest earned on loans under the Housing Acts	
Less: Interest on borrowings	
Property Rentals	
Less: Property Expenses:	
Interest on borrowings	
Repairs, maintenance and other expenses	
Payments to municipalities in lieu of taxes and for services	
Depreciation on real estate and equipment	
Interest earned on Corporation's share in projects under Federal-provincial agreements	
Less: Interest on borrowings	
Interest earned on agreements for sale and mortgages	
Less: Interest on borrowings	
Application fees earned on insured mortgage loans	
Fees earned for services rendered to Government agencies	
Profits (net) realized on dispositions of real estate acquired by capital expenditure	
Premiums earned on sales of mortgages	
Miscellaneous	

Expenditure

Salaries	
Pension Fund, group and unemployment insurance and medical examinations	
Directors' fees and expenses	
Auditors' fees and expenses	
Legal fees and expenses	
Examination fees paid to Approved Lenders	
Fees to Approved Lenders re: Agency Loans	
Information services	
Office supplies and expenses	
Rental and expenses of administrative premises	
Telephone, telegraph and teletype	
Travel, moving expenses and use of employee-owned automobiles	
Interest allowed on deposits	
Depreciation on business premises	
Depreciation on office furniture and equipment	
Losses on insured Corporation loans	
Miscellaneous	

Income Less Expenditure for the Year Before Income Tax

Deduct: Estimated Income Tax	
--	--

Net Income — Transferred to Reserve Fund

THE YEAR ENDED DECEMBER 31 1961

(with comparative figures for 1960)

STATEMENT II

1961		1960	
\$74,961,722		\$62,441,310	
58,637,345	\$16,324,377	47,325,684	\$15,115,626
<u>7,405,385</u>		<u>7,231,099</u>	
\$1,443,054		\$1,374,238	
2,092,029		1,761,621	
1,972,572		1,876,454	
2,044,568	7,552,223	1,716,627	6,728,940
	(146,838)		502,159
<u>3,660,105</u>		<u>3,026,047</u>	
3,427,661	232,444	2,928,454	97,593
<u>5,368,331</u>		<u>5,356,421</u>	
1,063,624	4,304,707	1,031,651	4,324,770
	2,186,049		1,289,908
	225,288		255,555
	328,259		296,016
	563,195		4,080
	72,264		25,237
	<u>24,089,745</u>		<u>21,910,944</u>
7,554,646		6,895,559	
909,025		841,703	
7,633		6,261	
36,665		30,172	
17,460		16,868	
144,671		98,437	
1,115,044		1,150,184	
81,888		26,572	
484,165		368,520	
598,164		536,844	
178,789		148,932	
769,670		662,599	
105,828		110,662	
125,820		132,755	
98,398		99,834	
96,674		35,295	
302,222	12,626,762	205,335	11,366,532
	<u>11,462,983</u>		<u>10,544,412</u>
	5,731,000		5,312,000
	<u>\$ 5,731,983</u>		<u>\$ 5,232,412</u>

RESERVE FUND FOR T

Balance, January 1	
Add:	
Net Income for the year	
Profits realized on sales of properties acquired without cost from the Government of Canada	
Deduct:	
Excess over statutory limitation — transferred to the credit of the Receiver General	
Balance, December 31	

LOANS UNDER THE HOUSING ACTS F

	<i>Balances December 31 1960</i>	
	<i>Number of Loans Outstanding</i>	<i>Value</i>
<i>Joint Loans (Corporation's Share)</i>	114,934	\$ 172,892,145
<i>Uninsured Loans</i>		
Limited-dividend Housing Companies	266	156,961,138
Mining, Lumbering, Logging and Fishing Industries	15	4,777,704
Home Owners	5,389	31,283,629
University Housing		
Municipal Sewage Treatment Projects		
Builders and Others, under Rental Guarantee Contracts	581	73,640,761
	6,251	266,663,232
<i>Insured Loans to Builders and Home Owners</i>		
By the Corporation	59,112	613,714,292
(Transfers from Agents)		
By Agents of the Corporation	20,063	243,115,051
(Transfers to the Corporation)		
	79,175	856,829,343
	200,360	\$1,296,384,720

AGREEMENTS FOR SALE AND MORTGAGES ARISING FROM SA

	<i>Balances December 31 1960</i>	
	<i>Number of Accounts Outstanding</i>	<i>Value</i>
<i>Agreements for Sale</i>	18,971	\$ 45,752,293
(Converted to Mortgages)		
<i>Mortgages</i>	12,350	56,960,231
(Converted from Agreements for Sale)		
	31,321	\$102,712,524

YEAR ENDED DECEMBER 31 1961

(with comparative figures for 1960)

STATEMENT III

	1961		1960
	\$ 5,000,000		\$ 5,000,000
	\$5,731,983		\$5,232,412
	<u>4,799,421</u>	<u>10,531,404</u>	<u>4,870,322</u>
		15,531,404	10,102,734
		10,531,404	15,102,734
			10,102,734
	<u>\$ 5,000,000</u>		<u>\$ 5,000,000</u>

YEAR ENDED DECEMBER 31 1961

STATEMENT IV

Number of New Loans in 1961	Advances and Other Charges in 1961	Number of Loans Paid in Full and Foreclosures in 1961	Payments Received and Foreclosures in 1961	Balances December 31 1961	
				Number of Loans Outstanding	Value
	\$	6,466	\$ 18,621,253	108,468	\$ 154,270,892
48	35,060,835	5	27,629,648	309	164,392,325
	229,809		605,030	15	4,402,483
1	2,825,734	121	4,948,374	5,269	29,160,989
5	2,714,982			5	2,714,982
28	3,021,555		35,535	28	2,986,020
	<u>6,109,711</u>	<u>2</u>	<u>8,443,644</u>	<u>579</u>	<u>71,306,828</u>
82	49,962,626	128	41,662,231	6,205	274,963,627
21,655	306,448,313	3,812	113,880,589	77,037	807,162,802
82	880,786				
	270,806	219	7,375,476	19,762	235,129,595
(82)	(880,786)				
<u>21,655</u>	<u>306,719,119</u>	<u>4,031</u>	<u>121,256,065</u>	<u>96,799</u>	<u>1,042,292,397</u>
<u>21,737</u>	<u>\$356,681,745</u>	<u>10,625</u>	<u>\$181,539,549</u>	<u>211,472</u>	<u>\$1,471,526,916</u>
			Interest Accrued or Receivable		7,267,160
			Total (including payments in arrears three months and over \$754,000)		<u>\$1,478,794,076</u>

PROPERTIES FOR THE YEAR ENDED DECEMBER 31 1961

STATEMENT V

Number of New Accounts in 1961	Sales, Transfers and Other Charges in 1961	Number of Accounts Paid in Full in 1961	Payments Received in 1961	Balances December 31 1961	
				Number of Accounts Outstanding	Value
(240)	\$ 5,309,637	1,060	\$ 9,886,832	17,671	\$ 40,407,036
	(768,062)				
1,013	12,436,560	299	9,275,701	13,304	60,889,152
240	768,062				
<u>1,013</u>	<u>\$17,746,197</u>	<u>1,359</u>	<u>\$19,162,533</u>	<u>30,975</u>	<u>\$101,296,188</u>
			Accrued Interest		443,601
			Total (including payments in arrears three months and over \$13,000)		<u>\$101,739,789</u>

REAL ESTATE FOR T

	<i>Balances December 31 1960</i>		<i>Additions and Transfers in 1961</i>	
	<i>Units</i>	<i>Amount</i>	<i>Units</i>	<i>Amount</i>
<i>Business Premises for Corporation Use</i>	<u>21</u>	<u>\$ 3,531,193</u>		<u>\$</u>
<i>Rental Housing</i>				
Warworkers' Houses	530	530,729		
Servicemen's Housing				
1947 and prior Programmes	377	1,131,000		
1948 and 1949 Programmes				
Single Houses	7,244	52,149,279		
Multiple Dwellings	623	5,369,008		
Housing acquired from Limited-dividend Housing Companies				
Single Houses	247	1,910,237	144	1,361,565 ⁽¹⁾
Multiple Dwellings	1,275	9,650,347	1,872	16,797,445 ⁽¹⁾
Garages	232			
Housing at Pembroke, Gander, Renfrew and Sorel	536	6,349,625		1,123
	<u>11,064</u>	<u>77,090,225</u>	<u>2,016</u>	<u>18,160,133</u>
<i>Housing Acquired Under Guarantee Agreements</i>	<u>6</u>	<u>56,263</u>		
<i>Other Real Estate</i>				
Vacant Land		487,733		40,263
Miscellaneous	39	124,758	7	30,316
	<u>39</u>	<u>612,491</u>	<u>7</u>	<u>70,579</u>
	<u>11,130</u>	<u>\$81,290,172</u>	<u>2,023</u>	<u>\$18,230,712</u>

(1) Represents acquisitions arising from mortgage defaults by corporations.

CORPORATION'S SHARE IN THE JOINT OWNERSHIP OF REAL ESTATE UND

	<i>Balances December 31 1960</i>	<i>Additions and Transfers in 1961</i>
Rental Housing Projects	\$70,042,824	\$7,075,284
Land Assembly Projects	11,120,435	858,615
	<u>\$81,163,259</u>	<u>\$7,933,899</u>

<i>Dispositions in 1961</i>		<i>Balances December 31 1961</i>			
<i>Units</i>	<i>Amount</i>	<i>Units</i>	<i>Amount</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>
	\$ 20,000	21	\$ 3,511,193	\$ 1,000,537	\$ 2,510,656
69	8,761	461	521,968		521,968
55	165,000	322	966,000	441,995	524,005
852	6,044,752	6,392	46,104,527	11,514,670	34,589,857
		623	5,369,008	1,768,530	3,600,478
1	8,651	390	3,263,151	674,570	2,588,581
		3,147	26,447,792	3,414,046	23,033,746
		232			
5	47,500	531	6,303,248	826,523	5,476,725
982	6,274,664	12,098	88,975,694	18,640,334	70,335,360
1	9,316	5	46,947	9,821	37,126
	126,615		401,381		401,381
20	44,606	26	110,468	36,281	74,187
20	171,221	26	511,849	36,281	475,568
1,003	\$6,475,201	12,150	\$93,045,683	\$19,686,973	\$73,358,710

<i>Dispositions in 1961</i>	<i>Balances December 31 1961</i>		
	<i>Amount</i>	<i>Accumulated Recovery of Investments</i>	<i>Net Book Value</i>
\$	\$77,118,108	\$2,055,507	\$75,062,601
668,731	11,310,319		11,310,319
\$668,731	\$88,428,427	\$2,055,507	\$86,372,920

ASSETS OF THE MORTGAGE INSURANCE, HOME IMPROVEMENT LOAN

	<i>Mortgage Insurance Fund</i>	
	<i>1960</i>	<i>1961</i>
Cash	\$ 821	\$ 366,141
Securities issued or guaranteed by the Government of Canada, at amortized cost	69,589,388	76,895,407
Approximate market values, December 31 1961—		
Mortgage Insurance Fund	\$73,713,600	
Home Improvement Loan Insurance Fund	2,058,100	
Rental Guarantee Fund	3,452,200	
	<u>\$79,223,900</u>	
Accrued interest on securities	1,127,105	1,196,487
Mortgages	528,908	1,517,217
Accrued interest on mortgages	10,649	8,289
Real Estate, at lower of cost or estimated realizable value (1960 at cost)	1,339,100	9,896,000
	<u>72,595,971</u>	<u>89,879,541</u>
Claims in process for payment		(3,110,967)
	<u>\$72,595,971</u>	<u>\$86,768,574</u>

RESERVES FOR MORTGAGE INSURANCE, HOME IMPROVEMENT LOAN INSURANCE

	<i>Reserve for Mortgage Insurance</i>		
	<i>Total to December 31 1960</i>	<i>Year 1961</i>	<i>Total to December 31 1961</i>
Fees and premiums received	\$64,164,510	\$10,970,952	\$75,135,462
Net income from securities	8,322,213	3,363,668	11,685,881
Interest earned on mortgages	37,159	68,499	105,658
Rentals earned on real estate	10,768	205,763	216,531
Recoveries on claims paid			
Real estate acquired on claims paid or payable . .	1,872,247	9,840,791	11,713,038
Profit (net) on sales of securities	40,687		40,687
Sundry income			
	<u>74,447,584</u>	<u>24,449,673</u>	<u>98,897,257</u>
Deduct:			
Claims paid or payable and legal expenses . .	1,872,247	9,840,791	11,713,038
Allowance for revaluation of real estate . .		164,524	164,524
Maintenance of real estate	7,122	239,650	246,772
Loss (net) on sales of real estate	(27,895)	31,870	3,975
Sundry expenses	139	235	374
	<u>1,851,613</u>	<u>10,277,070</u>	<u>12,128,683</u>
	<u>\$72,595,971</u>	<u>\$14,172,603</u>	<u>\$86,768,574</u>
Mortgage insurance in force — approximately	\$3,640,000,000		
Amount insured in respect of Home Improvement Loans — approximately	\$ 11,325,000		
Current year's rentals covered by Rental Guarantee contracts — approximately	\$ 15,333,000		

URANCE AND RENTAL GUARANTEE FUNDS, DECEMBER 31 1961

STATEMENT VIII

(with comparative figures for 1960)

<i>Home Improvement Loan Insurance Fund</i>		<i>Rental Guarantee Fund</i>		<i>Totals</i>	
<i>1960</i>	<i>1961</i>	<i>1960</i>	<i>1961</i>	<i>1960</i>	<i>1961</i>
\$ 12,985	\$ 14,514	\$ 52,050	\$ (18,366)	\$ 65,856	\$ 362,289
1,842,364	2,130,967	3,290,234	3,691,415	74,721,986	82,717,789
28,095	31,835	47,360	53,514	1,202,560	1,281,836
				528,908	1,517,217
				10,649	8,289
	15,916			1,339,100	9,911,916
1,883,444	2,193,232	3,389,644	3,726,563	77,869,059	95,799,336
					(3,110,967)
<u>\$1,883,444</u>	<u>\$2,193,232</u>	<u>\$3,389,644</u>	<u>\$3,726,563</u>	<u>\$77,869,059</u>	<u>\$92,688,369</u>

RENTAL GUARANTEES FOR THE YEAR ENDED DECEMBER 31 1961

<i>Reserve for Home Improvement Loan Insurance</i>			<i>Reserve for Rental Guarantees</i>			<i>Totals</i>
<i>Total to December 31 1960</i>	<i>Year 1961</i>	<i>Total to December 31 1961</i>	<i>Total to December 31 1960</i>	<i>Year 1961</i>	<i>Total to December 31 1961</i>	<i>December 31 1961</i>
\$1,942,987	\$427,671	\$2,370,658	\$3,521,953	\$369,328	\$3,891,281	\$ 81,397,401
226,131	91,518	317,649	535,880	158,649	694,529	12,698,059
	882	882				105,658
25,167	17,587	42,754				217,413
	15,916	15,916				42,754
1,873		1,873	(238)		(238)	11,728,954
			2,000	1,600	3,600	42,322
						3,600
2,196,158	553,574	2,749,732	4,059,595	529,577	4,589,172	106,236,161
312,711	243,312	556,023	669,951	192,658	862,609	13,131,670
	471	471				164,524
						247,243
3	3	6				3,975
						380
312,714	243,786	556,500	669,951	192,658	862,609	13,547,792
<u>\$1,883,444</u>	<u>\$309,788</u>	<u>\$2,193,232</u>	<u>\$3,389,644</u>	<u>\$336,919</u>	<u>\$3,726,563</u>	<u>\$ 92,688,369</u>

EXPLANATORY NOTES TO FINANCIAL STATEMENTS

ASSETS

Accounts receivable

Balances due from housing authorities in respect of annual instalments on Corporation's share of investment in Federal-Provincial housing projects, rentals due from housing tenants and sundry accounts receivable from government departments and agencies, and others. Of an increase of \$746,000 over 1960, \$603,000 is attributable to increased amounts receivable from housing authorities due to the operation of a larger number of projects.

Expenditures recoverable from Provincial Governments under Federal-Provincial Agreements

Expenditures representing provincial share of the cost of land assembly and rental housing projects currently recoverable from provincial governments including an amount due from the Province of Newfoundland of \$646,800 which has been accruing since October 1 1958.

Due from the Minister of Public Works on current account

Balance of recoverable expenditures for (a) research, investigations, planning and information services; (b) fees and expenses for supervising construction of military housing and schools for the Department of National Defence; (c) other sundry items.

Due from the Minister of Public Works for losses (net) in respect of loans, guarantees and other commitments under the Housing Acts

Operating losses (net) on Corporation's share in Federal-Provincial housing projects, less profits (net) on sales of lots in land assembly projects, and on sales of properties acquired by foreclosure of joint loans and Corporation uninsured loans.

Advances to Municipalities and others on deferred repayment terms

Balances recoverable in respect of financing the installation of municipal ground services by the Corporation alone or in partnership with provincial governments.

Corporation's share in the joint ownership of Real Estate under Federal-Provincial Agreements

Comprises 75% of (a) the unrecovered cost of rental

housing projects, (b) unsold lots and, (c) uncollected balances on lots sold in land assembly projects. Investment in rental housing projects is recoverable by annual instalments from housing authorities, and cost of land assembly projects is recoverable from proceeds of lot sales.

Bonds held as deposits

Consists of bonds issued or guaranteed by governments, and held primarily (a) on behalf of rental guarantee mortgagors to ensure availability of funds for repairs and replacements; (b) as deposits by mining companies for the reduction of claims on the Mortgage Insurance Fund in respect of loans on properties at Elliot Lake; (c) as security deposits in respect of construction contracts.

Other assets

Unexpired portion of group and other insurance premiums, unexpired portion of grants to municipalities in lieu of taxes, accountable advances to employees, cafeteria inventories and sundry prepaid expenses.

Mortgages under administration for Investors

Insured mortgages sold by the Corporation to investors who have elected that the mortgages be administered by the Corporation.

LIABILITIES

Accounts payable and accrued liabilities

Unpaid progress estimates owing to contractors, amounts for operating expenses owing or accrued, balances owing to municipalities in respect of house sales and to provincial governments under Federal-Provincial Agreements.

Deposits and contractors' holdbacks

Consists primarily of deposits in respect of the cost of replacements and repairs and rental guarantee premiums not yet due as provided for in rental guarantee contracts, deposits to guarantee satisfactory completion of contracts and payments withheld in respect of work performed, borrowers' tax deposits, tenants' rent deposits and other deposits in respect of commitments to the Corporation.

Employees' Retirement Account

Amounts deposited by employees not eligible for admission as participants in the Pension Fund, held pending retirement or separation. The Pension Fund which is established under authority of the CMHC Act is not included in these statements, being vested in trustees.

Borrowings from the Government of Canada

	<i>Amount Borrowed in 1961</i>	<i>Amount Repaid in 1961</i>
Borrowings for lending under the Housing Acts (\$ million).....	235.0	44.0
Borrowings for acquisition and construction of real estate under Federal-Provincial Agreements (\$ million).....	8.5	1.7
Borrowings for acquisition and construction of real estate (\$ million).....		2.7

Surplus arising from valuation of properties acquired without cost from the Government of Canada

Capitalized value of remaining real estate acquired without cost from Wartime Housing Limited in 1948, and of housing projects at Renfrew and Sorel acquired from the Department of Defence Production in 1957.

Unrealized profits on Real Estate sold on deferred payment terms

Each year a proportionate amount of unrealized profits, based on the recoveries of principal to the sales price, is treated as earned or realized. Such realizations are credited to Reserve Fund when arising from sales of real estate acquired by the Corporation without cost, and to the income account when arising from sales of real estate acquired by capital expenditure.

INCOME

In 1961 advances on loans made under the Housing Acts exceeded repayments by \$175,000,000. This resulted in an increase of \$12,500,000 in gross interest earned over 1960. Interest on borrowings for lending

purposes increased by only \$11,300,000 thereby resulting in a net increase in interest earned of \$1,200,000.

During 1961, 1003 rental housing units were sold and 2023 added to the housing inventory, a net increase of 1020 units under administration. Of the housing units added, 2016 were acquired through mortgage defaults. Rental revenue increased by \$174,000 while operating expenses increased by \$823,000, resulting in a decline in net rental income of \$649,000. Increased operating expenses were mainly attributable to increased costs of repairs and maintenance, larger payments to municipalities in lieu of taxes and a greater provision for depreciation. While the increased number of housing units resulted to some extent in higher operating expenses, they did not yield a comparable increase in rental revenue due to high vacancy loss.

Application fees earned on insured mortgage loans increased by \$896,000 over the previous year due to greater lending activity in the latter part of 1960 and early 1961 and the Corporation's practice of treating fees received as being earned over an eight month period.

In 1961 the Corporation initiated the practice of selling insured mortgage loans to investors. This resulted in premiums earned of \$563,000 compared to \$4,000 in 1960 when sales were made only to the CMHC Pension Fund.

EXPENDITURE

Expenditure was \$1,260,000 greater than in the preceding year as compared to an increase of \$2,179,000 in income.

The increases of \$659,000 in salaries and of \$67,000 in Pension Fund, group and unemployment insurance expenses are due to the employment of additional staff and a general increase in wage levels.

Losses on insured Corporation loans represent losses on defaulted loans not claimable against the Mortgage Insurance Fund.

Other increases in expenditure resulted from the general expansion of the Corporation's activities.



S T A T I S T I C S

- Tables 1** Housing Units Started and Mortgage Loans Approved, 1935-1961.
- 2** Housing Units Started and Mortgage Loans Approved, by Province, 1961.
- 3** Housing Units Started, and Mortgage Loans Approved Under the Housing Act, by Locality, 1961.
- 4** Federal-Provincial Projects Under the Housing Acts, by Locality, 1948-1961.
- 5** Home Improvement Loans Approved, 1961.
- 6** Expenditures on CMHC Construction Activities, by Province, 1961.
- 7** University Housing Project Loans Approved, 1961.
- 8** Municipal Sewage Treatment Project Loans Approved, 1961.
- 9** Part V Grants Authorized for 1961.

Housing Units Started and Mortgage Loans Approved, 1935-1961

TABLE 1

YEAR	Housing Units Started ⁽¹⁾		Mortgage Loans Approved Under The Housing Acts		
	Total	Under The ⁽²⁾ Housing Acts	Loans	Housing Units	Amount (\$000)
1935	33,900	72	73	97	514
1936	41,000	729	550	788	3,778
1937	45,100	1,797	1,311	1,817	7,524
1938	43,900	3,643	2,347	3,894	13,840
1939	48,900	5,947	4,315	5,973	19,142
1940	52,600	5,738	4,897	5,621	16,721
1941	51,200	4,466	4,370	4,323	13,508
1942	40,000	1,120	1,138	1,093	3,170
1943	36,100	1,731	1,721	1,721	5,454
1944	41,500	1,466	1,393	1,393	4,855
1945	55,181	4,737	4,431	4,980	21,143
1946	64,355	11,520	7,341	11,827	55,651
1947	74,263	10,190	8,886	10,933	53,230
1948	90,194	26,233	15,313	18,776	104,291
1949	90,509	29,250	18,047	25,166	140,830
1950	92,531	43,521	33,934	42,280	284,487
1951	68,579	21,439	14,916	19,283	123,621
1952	83,246	34,400	23,718	34,323	249,084
1953	102,409	39,989	26,514	38,614	290,526
1954	113,527	50,373	39,576	50,319	454,957
1955	138,276	65,377	56,149	65,340	615,325
1956	127,311	43,395	35,794	41,283	407,132
1957	122,340	47,468	39,974	48,933	493,939
1958	164,632	81,950	65,515	82,169	882,924
1959	141,345	62,333	49,171	57,310	626,167
1960	108,858	33,723	29,246	36,610	392,992
1961	125,577	59,870	46,312	60,438	702,739
TOTAL	2,197,333	692,477	536,952	675,304	5,987,544

Housing Units Started and Mortgage Loans Approved, by Province, 1961

TABLE 2

PROVINCE	Housing Units Started		Mortgage Loans Approved Under The Housing Act		
	Total	Under The ⁽²⁾ Housing Act	Loans	Housing Units	Amount (\$000)
Newfoundland . . .	1,854	253	264	265	3,336
Prince Edward Island	910	47	57	59	625
Nova Scotia . . .	3,681	1,196	971	1,069	12,599
New Brunswick . . .	2,078	909	743	819	8,852
Quebec	34,215	12,372	12,023	13,049	147,239
Ontario	48,144	28,649	17,819	27,593	321,848
Manitoba	5,678	2,595	2,221	2,712	32,586
Saskatchewan . . .	5,093	2,395	2,324	2,497	29,150
Alberta	12,754	8,327	7,294	9,121	109,272
British Columbia . .	11,170	3,127	2,575	3,233	36,929
Northwest Territories	—	—	1	1	13
Yukon Territory . .	—	—	20	20	290
CANADA	125,577 ⁽¹⁾	59,870 ⁽¹⁾	46,312	60,438	702,739

⁽¹⁾ Excludes the Northwest and Yukon Territories.

⁽²⁾ Includes starts in Federal-Provincial Projects.

**Housing Units Started, and Mortgage Loans Approved
Under the Housing Act, by Locality, 1961**

TABLE 3

LOCALITY	Housing Units Started ⁽¹⁾	Mortgage Loans Approved					
		C.M.H.C.		Approved Lenders		Total	
		Units	Amount (\$000)	Units	Amount (\$000)	Units	Amount (\$000)
<i>Metropolitan Areas</i>							
Calgary	4,414	1,367	15,929	1,880	24,850	3,247	40,779
Edmonton	4,562	1,979	24,048	2,130	23,915	4,109	47,963
Halifax	1,365	303	3,656	427	5,186	730	8,842
Hamilton	2,267	260	2,768	992	12,647	1,252	15,415
London	1,799	302	3,025	599	8,091	901	11,116
Montreal	17,204	391	4,311	3,339	38,608	3,730	42,919
Ottawa-Hull	6,300	641	7,673	2,967	40,982	3,608	48,655
Quebec	3,247	1,037	11,075	719	8,196	1,756	19,271
Saint John	561	74	796	158	1,879	232	2,675
St. John's	252	79	1,051	49	678	128	1,729
Toronto	17,518	2,119	18,968	10,339	112,743	12,458	131,711
Vancouver	5,588	723	7,316	907	11,314	1,630	18,630
Victoria	1,279	109	1,328	359	4,153	468	5,481
Windsor	526	88	1,089	170	2,315	258	3,404
Winnipeg	4,187	776	8,956	1,131	14,544	1,907	23,500
Sub-Total	71,069	10,248	111,989	26,166	310,101	36,414	422,090
<i>Major Urban Areas</i>							
Brantford	216	42	467	50	638	92	1,105
Chicoutimi-Jonquière	604	370	3,658	70	833	440	4,491
Ft. William-Pt. Arthur	584	95	1,119	238	3,166	333	4,285
Guelph	474	87	775	91	1,084	178	1,859
Kingston	462	97	1,184	144	1,718	241	2,902
Kitchener	1,227	62	721	537	6,422	599	7,143
Moncton	483	61	641	156	1,766	217	2,407
Niagara Falls	179	24	285	75	961	99	1,246
Oshawa	657	269	3,195	185	1,822	454	5,017
Peterborough	289	27	296	175	2,179	202	2,475
Regina	1,334	554	6,515	420	5,655	974	12,170
St. Catharines	417	62	682	206	2,581	268	3,263
Sarnia	541	57	677	137	1,764	194	2,441
Saskatoon	1,229	428	5,042	491	5,596	919	10,638
Sault Ste. Marie	730	99	1,207	406	4,217	505	5,424
Shawinigan Falls	241	115	1,191	5	64	120	1,255
Sherbrooke	555	88	922	141	1,428	229	2,350
Sudbury	838	472	5,807	110	1,294	582	7,101
Sydney	164	22	245	—	-8	22	237
Timmins	133	79	960	—	6	79	966
Trois-Rivières	699	309	3,037	78	874	387	3,911
Sub-Total	12,056	3,419	38,626	3,715	44,060	7,134	82,686
<i>Other Localities</i>	42,452	9,961	112,738	6,929	85,225	16,890	197,963
CANADA	125,577	23,628	263,353	36,810	439,386	60,438	702,739

⁽¹⁾ Excludes the Northwest and Yukon Territories.

LOCALITY	Rental Housing	Land Assembly	Urban Redevelopment Study	Slum Clearance
	No. of Dwelling Units Approved	No. of Lots Approved	Federal Contribution Approved (\$000)	Federal Contribution Approved (\$000)
<i>Newfoundland</i>	584	766	28	15
Corner Brook	—	212	6	—
St. John's	584	554	22	15
<i>Nova Scotia</i>	712	—	24	1,390
Halifax	712	—	13	1,390
Sydney	—	—	11	—
<i>New Brunswick</i>	488	—	26	1,613
Moncton	—	—	11	—
Saint John	488	—	15	1,613
<i>Quebec</i>	796	—	180	3,510
Hull	—	—	24	—
Montreal	796	—	116	3,510
Quebec	—	—	40	—
<i>Ontario</i>	6,700	13,786	192	11,126
Amherstburg	25	31	—	—
Arnprior	25	43	—	—
Atikokan	—	1,140	—	—
Brantford	50	323	—	—
Brockville	96	352	—	—
Clinton	12	—	—	—
Cobourg	—	1,015	—	—
Cornwall	125	278	—	—
Delhi	12	—	—	—
Dunnville	25	—	—	—
Fort Erie	28	—	—	—
Fort William	174	—	—	—
Galt	50	201	—	—
Goderich	65	22	—	—
Guelph	70	214	—	—
Hamilton	1,123	530	21	—
Kenora	26	205	—	—
Kingston	71	784	15	—
Kirkland Lake	—	67	—	—
Kitchener	—	676	—	—
Lindsay	20	54	—	—
London	100	379	22	—
London Twp.	—	678	—	—
Midland	30	42	—	—
Napancee	41	36	—	—
Niagara Falls	—	—	20	—
North Bay	54	50	—	—
Orillia	10	—	—	—
Oshawa	42	—	—	—
Ottawa	103	630	40	—
Owen Sound	40	38	—	—
Peterborough	—	2,170	—	—
Port Arthur	40	—	—	—
Prescott	60	—	—	—
Renfrew	43	171	—	—
St. Thomas	75	630	—	—
Sandwich East	—	969	—	—
Sarnia	120	1,035	2	1,585
Sault Ste. Marie	100	—	19	—
Smith's Falls	24	—	—	—
Stamford Twp.	70	57	—	—
Stratford	104	122	—	—
Sudbury	88	277	20	—

TABLE 4

LOCALITY	Rental Housing	Land Assembly	Urban Redevelopment Study	Slum Clearance
	No. of Dwelling Units Approved	No. of Lots Approved	Federal Contribution Approved (\$000)	Federal Contribution Approved (\$000)
Thorold	—	127	—	—
Toronto	2,608	—	18	7,452
Trenton	25	115	—	—
Windsor	926	325	15	2,089
<i>Manitoba</i>	—	—	104	3,689
Churchill	—	—	23	—
Province of Manitoba	—	—	16	—
Winnipeg	—	—	65	3,689
<i>Saskatchewan</i>	264	463	44	—
Moose Jaw	75	258	—	—
Prince Albert	30	—	—	—
Regina	109	—	29	—
Saskatoon	—	—	15	—
Swift Current	—	118	—	—
Weyburn	50	87	—	—
<i>Alberta</i>	—	—	11	—
Calgary	—	—	11	—
<i>British Columbia</i>	976	996	90	2,401
Dawson Creek	—	—	8	—
Duncan	—	158	—	—
Kimberley	—	50	—	—
Port Moody	—	—	6	—
Prince George	—	177	9	—
Prince Rupert	50	—	14	—
Saanich	—	132	—	—
Trail	—	479	7	—
Vancouver	926	—	27	2,401
Victoria	—	—	19	—
CANADA	10,520	16,011	699	23,744

**Federal-Provincial Housing Authorized in Agreements with the
Nova Scotia and Prince Edward Island Housing Commissions**

LOCALITY	Housing Units		LOCALITY	Housing Units	
	Authorized	Completed		Authorized	Completed
<i>Nova Scotia</i>	1,010	896	Sackville	12	—
Amherst	70	70	Stellarton	8	8
Antigonish	55	49	Sydney	286	280
Baddeck	5	—	Sydney Mines	22	22
Bedford	10	—	Trenton	10	10
Cheticamp	5	5	Truro	32	32
Cole Harbour	65	44	Wolfville	11	11
Digby	6	6	Woodlawn	88	88
Eastern Passage	27	17	Yarmouth	20	10
Glace Bay	56	56			
Halifax	76	76	<i>Prince Edward Island</i>	103	—
Kentville	11	11	Souris	10	—
Mulgrave	7	—	Summerside	10	—
New Glasgow	18	18	Borden	5	—
New Waterford	37	37	O'Leary	5	—
North Sydney	50	36	Charlottetown	66	—
Port Hawkesbury	10	10	Bunbury	7	—
Port Hood	6	—			
Pubnico	7	—	TOTAL	1,113	896

Home Improvement Loans Approved, 1961

TABLE 5

LOCALITY	Ownership Dwellings		Rental Dwellings		Total	
	No. of Loans	Loan Amount (\$000)	No. of Loans	Loan Amount (\$000)	No. of Loans	Loan Amount (\$000)
<i>Metropolitan Areas</i>						
Calgary	1,554	2,114	42	142	1,596	2,256
Edmonton	956	1,182	23	54	979	1,236
Halifax	652	795	45	145	697	940
Hamilton	378	488	18	28	396	516
London	249	304	10	17	259	321
Montreal	1,236	2,545	82	209	1,318	2,754
Ottawa-Hull	629	1,064	50	318	679	1,382
Quebec	248	547	22	64	270	611
Saint John	116	198	10	28	126	226
St. John's	159	255	4	5	163	260
Toronto	2,009	1,908	75	264	2,084	2,172
Vancouver	2,320	3,186	89	164	2,409	3,350
Victoria	335	471	11	34	346	505
Windsor	422	583	7	10	429	593
Winnipeg	1,060	1,383	52	154	1,112	1,537
Sub-Total	12,323	17,023	540	1,636	12,863	18,659
<i>Major Urban Areas</i>						
Brantford	102	126	10	14	112	140
Chicoutimi-Jonquière	203	357	4	10	207	367
Ft. William-Pt. Arthur	194	279	4	3	198	282
Guelph	50	81	4	9	54	90
Kingston	170	246	22	41	192	287
Kitchener	127	183	3	6	130	189
Moncton	201	203	21	63	222	266
Niagara Falls	49	62	2	4	51	66
Oshawa	81	100	8	17	89	117
Peterborough	43	59	4	5	47	64
Regina	476	478	19	29	495	507
St. Catharines	125	168	5	12	130	180
Sarnia	90	103	10	16	100	119
Saskatoon	308	420	10	17	318	437
Sault Ste. Marie	56	137	9	34	65	171
Shawinigan Falls	27	52	3	5	30	57
Sherbrooke	55	106	7	19	62	125
Sudbury	156	325	8	22	164	347
Sydney	268	287	8	14	276	301
Timmins	136	184	13	37	149	221
Trois-Rivières	63	124	8	38	71	162
Sub-Total	2,980	4,080	182	415	3,162	4,495
Other Localities	11,603	18,242	469	1,233	12,072	19,475
CANADA	26,906	39,345	1,191	3,284	28,097	42,629

Expenditures on CMHC Construction Activities, by Province, 1961

TABLE 6

PROVINCE	Corporation Construction		Construction for Other Agencies and Departments		Total (\$000)
	Federal-Provincial Projects (\$000)	Other Projects (\$000)	Department of National Defence (\$000)	Other Departments (\$000)	
Newfoundland . . .	99	1	—	—	100
Prince Edward Island	116	—	198	—	314
Nova Scotia . . .	3,383	—	1,951	—	5,334
New Brunswick . . .	527	—	110	—	637
Quebec	1,003	—	3	—	1,006
Ontario	5,819	—	1,123	293	7,235
Manitoba	—	—	—	332	332
Saskatchewan . . .	378	—	—	—	378
Alberta	—	—	32	—	32
British Columbia .	742	—	17	—	759
Northwest Territories	—	—	—	10	10
Total	12,067	1	3,434	635	16,137

University Housing Project Loans Approved, 1961

Approvals by Order-in-Council to December 31, 1961

TABLE 7

UNIVERSITY	City	No. of Students to be Accom- modated	Amount of NHA Loan		Total Cost of Project (\$000)
			Total (\$000)	Per Student Accom- modated \$	
<i>Nova Scotia</i>					
Acadia University	Wolfville	145	503	3,472	559
Mount St. Bernard College	Antigonish	126	561	4,452	623
St. Francis Xavier University	Antigonish	314	1,316	4,191	1,462
University of King's College	Halifax	106	690	6,506	766
<i>New Brunswick</i>					
University of New Brunswick	Fredericton	428	1,800	4,206	2,000
<i>Quebec</i>					
Academie de Quebec	Ste. Foy	200	810	4,050	900
College de Matane	Matane	120	631	5,258	701
College de Victoriaville	Victoriaville	168	811	4,825	901
Laval University	Quebec	465	3,255	7,000	3,625
Seminaire de Nicolet	Nicolet	125	483	3,866	537
Seminaire St. Pie X	Hauterive	90	222	2,463	246
University of Sherbrooke	Sherbrooke	461	1,750	3,800	1,985

University Housing Project Loans Approved, 1961

Approvals by Order-in-Council to December 31, 1961

TABLE 7
Continued

UNIVERSITY	City	No. of Students to be Accom- modated	Amount of NHA Loan		Total Cost of Project (\$000)
			Total (\$000)	Per Student Accom- modated \$	
Ontario					
Assumption University	Windsor	220	1,379	6,266	1,532
Carleton University	Ottawa	315	1,512	4,800	1,845
Renison College	Waterloo	80	248	3,100	276
University of St. Jerome's College . .	Waterloo	98	300	3,223	351
Waterloo Lutheran University	Waterloo	100	276	2,758	476
Manitoba					
Brandon College	Brandon	152	906	4,767	1,007
United College	Winnipeg	136	693	4,844	770
Saskatchewan					
Emmanuel College	Saskatoon	82	394	4,807	438
Notre Dame College	Wilcox	36	214	5,944	238
British Columbia					
University of British Columbia . . .	Vancouver	336	1,332	3,964	1,480

Municipal Sewage Treatment Project Loans Approved, 1961

TABLE 8

LOCALITY	Amount (\$000)	LOCALITY	Amount (\$000)	LOCALITY	Amount (\$000)
<i>Newfoundland</i>		Saint Anselme	5	Dundas	248
La Scie	80	Shippegan	48	Espanola	92
Stephenville Crossing .	36	<i>Quebec</i>		Fort William	884
<i>Prince Edward Island</i>		Fort Coulonge	49	Galt	908
Alberton	22	Lorraine	95	Hamilton	44
Borden	7	Notre-Dame-de-Lorette	100	Hamilton	880
Souris	27	<i>Ontario</i>		Hamilton	265
Tignish	19	Belleville	1,515	Hamilton	778
<i>Nova Scotia</i>		Bowmanville	9	Kingston	17
Berwick	53	Bowmanville	300	Mitchell	93
<i>New Brunswick</i>		Bracebridge	76	Neelon-Garson	202
Renforth	32	Bracebridge	43	New Hamburg	79
		Bradford	95	Orillia	69
				Ottawa	276
				Ottawa	127

Municipal Sewage Treatment Project Loans Approved, 1961

TABLE 8
Continued

LOCALITY	Amount (\$000)	LOCALITY	Amount (\$000)	LOCALITY	Amount (\$000)
Ottawa	10,063	<i>Manitoba</i>		Saskatoon	280
Owen Sound	304	Crystal City	30	Semans	9
Peterborough	593	Gretna	33	Sturgis	20
Port Colborne	39	Hartney	15	Torquay	13
Port Credit	148	Morden	39	Tugaske	17
Preston	450	Portage la Prairie	107	Turtleford	17
Ramore	12	Shoal Lake	32	Wakaw	23
Sarnia	94	Somerset	18	Whitewood	21
Shelburne	47	<i>Saskatchewan</i>		Willowbunch	19
Strathroy	133	Birch Hills	18	<i>Alberta</i>	
Sudbury	1,109	Blaine Lake	16	Calgary	54
Toronto		Carrot River	28	Cowley	10
(West Highland Creek)	78	Creighton	33	Edmonton	710
Toronto		Cupar	23	Edson	78
(East Highland Creek)	336	Delisle	18	Evansburg	31
Toronto		Dinsmore	15	Gibbons	4
(Ashbridges Bay) . .	141	Dundurn	14	Hanna	19
Toronto (Bloor Street)	427	Elbow	13	Leduc	58
Toronto		Estevan	52	Medicine Hat	222
(Humber-Thistletown)	272	Fillmore	20	Red Deer	447
Toronto (Weston) . .	650	Fort Qu'Appelle	8	Rimbey	19
Toronto		Govan	25	Wetaskiwin	13
(Lakeshore No. 1) . .	218	Hanley	9	<i>British Columbia</i>	
Toronto		Harris	11	Burns Lake	50
(Lakeshore No. 2) . .	346	Hodgeville	19	Chilliwack City and	
Toronto		Hudson Bay	38	Municipality	78
(Mimico Creek) . . .	133	Humboldt	45	Comox	73
Toronto		Kenaston	9	Courtenay	177
(North Mimico Creek)	222	Langenburg	29	Dawson Creek	80
Toronto		Langham	20	Duncan	60
(Etobicoke Creek) . .	448	Lashburn	21	Fort St. John	180
Toronto (Don River) .	308	Lipton	20	Kamloops	224
Toronto		Lucky Lake	9	Nelson	95
(West Don River) . .	330	Lumsden	23	North Cowichan	51
Toronto		Melfort	47	Saanich No. 1	382
(Highland Creek) . .	800	Milestone	19	Saanich No. 2	44
Toronto Twp.		Moose Jaw	689	Vancouver (Iona)	7,429
(Beechwood No. 1) . .	128	Neudorf	17	Vancouver	
Toronto Twp.		Oxbow	29	(Burnaby Lake)	192
(Beechwood No. 2) . .	87	Pennant	16	Vancouver	
Toronto Twp.		Plenty	11	(North Arm Cross)	508
(Dixie-Haig)	317	Qu'Appelle	14	Vancouver	
Toronto		Rockglen	25	(Spanish Banks)	94
(Victoria Park - 401) .	309			White Rock	124
Trenton	157				
Vankleek Hill	53				

Part V Grants Authorized for 1961

TABLE 9

PURPOSE OF GRANT AND RECIPIENT	Amount of Grant \$
<i>Urban Renewal Studies</i>	
Province of Manitoba	16,000
Metropolitan Corporation of Greater Winnipeg	27,320
City of Quebec (Supplementary)	9,889
City of Ottawa (Supplementary)	4,365
City of Niagara Falls	19,500
City of Sudbury and Townships of Neelon-Garson and McKim	2,700
Townsite of Churchill (second phase)	14,500
City of Calgary	11,250
City of Hull	24,000
Sub-total	129,524
<i>Non-Recurring Grants</i>	
Lower Mainland Regional Planning Board of B.C.	4,500
Canadian Welfare Council	20,000
Royal Architectural Institute of Canada	1,000
Co-operative Union of Canada	20,000
St. Patrick's College	3,000
Centre for Community Studies, University of Saskatchewan	75,000
Canadian Council on Urban and Regional Research (organizational grant)	10,000
McMaster University lecturer for Studies in Urban Geography	1,200
Sub-total	134,700
<i>Recurring Grants</i>	
Community Planning Association of Canada	67,500
Information Services (CMHC)	135,725
Canadian Housing Design Council	25,000
National Research Council	100,000
Ontario Research Foundation	48,900
Educational Assistance —	
(a) Planning Fellowships	22,500
(b) Supplementary Grants to Schools of Planning	8,000
(c) Bursaries	9,600
(d) Travelling Scholarships	12,300
(e) Lecture tours, Schools of Architecture	1,000
(f) Incidental Expenses — Printing of Brochures, etc.	2,100
(g) Senior Fellowships	15,000
Sub-total	447,625
Total	\$711,849

PUBLICATIONS

FINANCING

- NHA LOANS FOR HOMES — Explains the insured loan provisions for home ownership.
- NHA HOME-OWNER LOANS BY CMHC — Explains lending by CMHC for home ownership.
- NHA INSURED LOANS FOR RENTAL HOUSING — Outlines the financing of rental housing with insured loans.
- NHA LIMITED DIVIDEND LOANS — Explains lending by CMHC to limited-dividend housing companies for low-rental housing.
- NHA HOUSING FOR THE ELDERLY — Outlines the way in which limited-dividend companies may provide accommodation for old people.
- NHA CO-OPERATIVE HOUSING LOANS — Explains loans made to building co-operatives.
- NHA HOME CONVERSION LOANS — Outlines insured loans for alterations which add one or more family housing units to existing residential structures.
- NHA LOANS FOR UNIVERSITY HOUSING PROJECTS — Outlines the terms on which universities may obtain loans for resident student accommodation.
- NHA LOANS FOR MUNICIPAL SEWAGE TREATMENT PROJECTS — Explains loans made to assist in the construction of sewage treatment projects.
- NHA FEDERAL-PROVINCIAL HOUSING AND LAND ASSEMBLY — Summarizes assistance for house construction and land assembly undertaken jointly by Federal-Provincial partnerships.
- NHA URBAN RENEWAL — Outlines Federal assistance available to municipalities undertaking redevelopment of blighted areas.
- NHA HOME IMPROVEMENT LOANS — Explains the lending provisions for loans for home improvement and repairs.

DESIGN

- SMALL HOUSE DESIGNS — Catalogues house designs for which working drawings may be purchased from CMHC local offices at nominal cost.
- CHOOSING A HOUSE DESIGN — Outlines for prospective owners considerations on choice of neighbourhood, lot and type of house.
- PRINCIPLES OF SMALL HOUSE GROUPING — Deals with the arrangement of houses in groups.
- NHA — A MINIMUM HOUSE — Describes briefly the specifications of a minimum house designed for rural areas without municipal services.

CONSTRUCTION

- HOUSING STANDARDS — Sets out the minimum building standards prescribed by CMHC for houses built under the National Housing Act. Prepared and published by the Division of Building Research, National Research Council.
- APARTMENT BUILDING STANDARDS — Sets out the minimum standards prescribed for apartment buildings financed with NHA loans.
- CATALOGUE OF HOUSE BUILDING CONSTRUCTION SYSTEMS — Outlines methods followed in various parts of the world in constructing single-family dwellings.
- GLOSSARY OF HOUSE-BUILDING TERMS — Defines words used in housing industry.
- BASEMENT FALLOUT SHELTER — Blueprint for Survival No. 2 — Shelters in new homes.
- NHA — WHAT YOU SHOULD KNOW ABOUT THE INSPECTION OF YOUR HOUSE — Explains the extent and the limitations of compliance inspections on NHA-financed housing.

STATISTICS

- CANADIAN HOUSING STATISTICS — Provides statistical data related to the housing situation on a monthly and annual basis.

GENERAL

- HABITAT — A bi-monthly magazine containing illustrated articles on the housing environment.
- HOUSING FOR OLD PEOPLE, URBAN REDEVELOPMENT, FEDERAL-PROVINCIAL PROJECTS — Supplementary material available on these subjects.

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Sherbrooke, Trois Rivières, Val d'Or.

Barrie, Elliot Lake, Fort William, Hamilton, Kingston,

Kitchener, London, North Bay, Oshawa, Ottawa, Peterborough,

St. Catharines, Sarnia, Sault Ste. Marie, Scarborough,

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ANNUAL REPORT 1962

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LETTER
OF
TRANSMITTAL

Government
Publications

CENTRAL MORTGAGE AND HOUSING CORPORATION

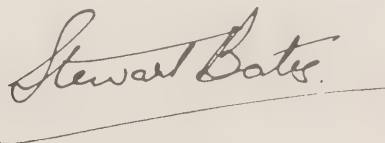
March 11, 1963.

Honourable E. Davie Fulton,
Minister of Public Works,
Ottawa, Canada.

Dear Mr. Fulton:

On behalf of the Board of Directors,
I have the honour to submit to you the 17th
annual report of Central Mortgage and Housing
Corporation and a statement of accounts for
the year ended December 31, 1962.

Yours very truly,

A handwritten signature in cursive script, reading "Stewart Bates", is written over a horizontal line.

President.



CANADA'S HOUSING IN 1962

Government
Publications

An atmosphere of stability continued to characterize the house-building industry during 1962; there were, nevertheless, significant shifts in emphasis.

Starts of all types of housing for the year numbered 130,095 units. Although these represented only a small increase over the 1961 total of 125,577, the large year-end carry-over of uncompleted dwellings from the previous twelve months ensured a high level of construction throughout 1962 and the value of residential construction work put in place rose to \$1,587 million from \$1,467 million.

During the year, there were important variations in the composition of housing starts. The proportion of rental-dwelling starts increased to 41% from 37% in 1961. This movement towards construction of more rental-type dwellings was apparent across the nation with nearly all metropolitan centres experiencing a strong revival in apartment construction. Starts of dwellings for home-ownership, on the other hand, declined to 77,236 units from 79,477 in the previous year.

Partly associated with the changing trend in the structure of housing starts was a shift away from National Housing Act financing. The number of dwellings built under NHA declined to 48,157 from 59,870 in 1961, while units financed with non-NHA funds rose to 81,938 from 65,707 a year ago.

Mortgage funds were in good supply during the first six months of the year although, in the second half, institutional lenders substantially reduced their NHA activity. Of total NHA housing production for 1962, approved lenders financed 32,437 units — 12% less than in 1961.

The supply of conventional mortgage funds showed remarkable strength throughout 1962 and the number of new dwellings financed with conventional institutional loans increased to 56,365 units from 41,465 in 1961.

As a result of the large volume of institutional mortgage lending, both NHA and conventional, demand for Corporation residual financing diminished during

the year. Corporation loans approved for home-ownership purposes declined to 13,223 units from 20,298 in 1961.

Demand for new housing in 1962 was sufficient to absorb the larger volume of completed dwellings without excessive gains in vacancy rates. The increase in completions occurred in the rental sector and these were taken up by the market with a moderate rise in the number of newly completed but unoccupied units. Completions of dwellings for home-ownership were at about the same level as in the previous year and, at the year-end, builders' inventories of newly-completed dwellings were only slightly higher than at the beginning of 1962. With a decreased volume of starts of dwellings for home-ownership, builders' inventories of unsold houses at various stages of construction were lower at the end of the year.

While starts of new dwellings for home-ownership were down in 1962, the decline affected mainly the smaller and lower-priced dwellings. The average size of dwellings for home-ownership financed under the National Housing Act increased during the year and a larger proportion of them had four bedrooms. There was a small decline in average construction costs per square foot; however, the increase in size and some appreciation in land costs brought the average total cost of single-family houses financed under the Act to \$15,063 in 1962 compared to \$14,714 in 1961, both figures include the mortgage insurance fee.

The basic demographic factors influencing the demand for housing changed slightly. Net family formation declined to 54,900 in 1962 from 56,200 in 1961 despite a small gain in marriages, reflecting lower net migration. Data from the 1961 census revealed that the net non-family household formation doubled between the first and second halves of the 1951-1961 decade. Presumably this continues to be an important source of demand for the housing market.

The 1961 Census, reporting 4,547,000 occupied dwellings, provided significant evidence of improvements in housing conditions over the past decade. The proportion of dwellings in need of major repair was down to 5.6% in 1961 from 13.4% in 1951. A substantial decline was also reported in the number of dwellings lacking modern plumbing facilities. To the extent that these changes represented withdrawals of substandard dwellings from the housing stock rather than improvements to existing dwellings, they provided a further source of strength for house-building activity over the decade and presumably continued to do so in 1962.

The growing importance of higher education was reflected in continued interest shown by universities and colleges in university residence loans under the National Housing Act. During 1962, 19 loans in an amount of more than \$21 million were approved to provide dormitories for about 4,400 students. Since the Act was

amended in December, 1960 to authorize university housing, 41 loans for \$41.5 million have been approved. These will house 8,700 students. The largest loan to date — almost \$5 million — was approved for accommodation for 1,200 students at the University of Alberta (Edmonton).

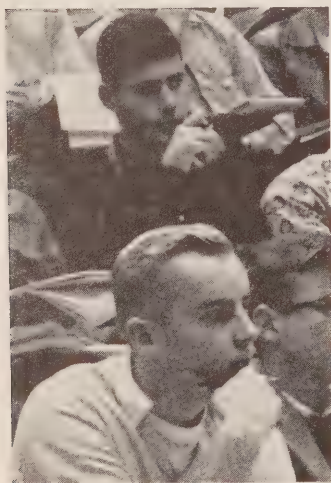
There was sustained activity across Canada in NHA municipal sewage treatment loans. These numbered 223 for \$45 million in 1962. Since the Act was amended in December, 1960 to provide for such loans, 367 have been approved in an overall amount of \$85 million. Late in the year, Parliament approved an extension of two years to March 31, 1965 of the deadline for partial forgiveness of indebtedness for those communities that avail themselves of the legislation.

Development of a market for NHA insured mortgages received added stimulus during the year when the Corporation offered, on three occasions, a total of \$83.5 million of its own portfolio, with sales limited to \$60 million. It is anticipated the market will continue to increase in two ways: Through the sale of blocks of mortgage loans by one institution to another or amongst pension funds and trusts; and through sales to a new type of company, of which some are already in existence and which would enable the small investor to participate in the mortgage market through purchase of its debentures or shares.

Federal contributions of more than \$3.2 million were approved toward urban redevelopment projects in Hamilton and Montreal. During 1962, the Maitland Street project in Halifax was completed and a 17-acre clearance programme in the Jacob Street area of the same city was virtually completed. Other projects were under way in Saint John, Sarnia, Toronto, Windsor, Winnipeg and Vancouver.



EDWARD



NFB

■ *Student Residence Laval University,
Quebec City, built with financial assistance
under the National Housing Act.*

CMHC OPERATIONS

The Corporation's administrative responsibilities arising out of its many and diverse roles in housing and related fields continued to expand in 1962 and more than offset those associated with mortgage lending, which declined in volume.

On three occasions during the year, the Corporation sold mortgages by auction as further steps in the development of a market in Canada for NHA insured loans. With the same objective in mind, the Corporation was also authorized late in 1962 to make available short-term financing to approved lenders. In performing this function the Corporation will ensure that other sources of short-term funds are not available for the purpose.

Additions to the Corporation's mortgage portfolio arising out of its lending operations more than compensated for substantial sales, however, and holdings were at a record level at the year-end. In volume alone, mortgages and sale agreements therefore continued to impose heavy administrative responsibilities. As the owner of more than 12,000 residential properties, the Corporation was also involved in real estate administration operations of significance.

Interest by provincial and municipal governments in the urban redevelopment facilities afforded by the National Housing Act continued and there was new activity in the areas of subsidized housing and land assembly. These, together with demands by departments and other agencies of the Federal Government, materially increased the design and construction operations of the Corporation.

In collaboration with private and other public groups, the Corporation continued active in the field of housing and related research. Highlight of the year was the founding of the Canadian Council on Urban and Regional Research and subsequent announcements of a \$78,000 NHA grant and a \$500,000 Ford Foundation grant to the new institution.

Policy changes of importance were implemented during the year: Loans to assist in the construction of accommodation for resident university students were made available to junior colleges; the Corporation was authorized in November to make two loans to any builder to finance display houses; and, late in December, the Government directed the Corporation to return to the making of rental loans in all centres where a need exists and where applicants are unable to obtain mortgage financing from approved lenders.

Dwelling units financed under the National Housing Act numbered 47,689 in 1962, most of them with mortgage funds and the balance under Federal-Provincial arrangements. In 1961, 61,535 units were financed under NHA (CHS-Tables 34, 58)¹.

¹ All references to "CHS" are to *Canadian Housing Statistics, 1962*.

In the aggregate, NHA lenders made loans of \$383.9 million (\$439.4 million in 1961), with the Corporation providing \$163.3 million (\$263.4 million in 1961) from public funds (CHS-Table 31).

After provision for income tax, the Corporation's net income in 1962 was \$5.6 million, a decrease of \$0.1 million from the figure reported in 1961. After transferring this amount to the Reserve Fund and adding to it \$4.9 million realized from the sale of property acquired from the Government of Canada, the sum of \$10.5 million was credited to the Receiver-General.

INSURED LOANS BY APPROVED LENDERS

NHA
Sections 6, 7, 8

The volume of insured mortgage lending by the life insurance and trust and loan companies was 12% lower than in 1961. With a substantial flow of funds in the early months, the pattern of lending was similar for a time to the trend of the previous year. However, experience in most of the second half of 1962, when activity decreased, was materially different from that in the same period of 1961, when there was a marked expansion.

During the year, loans by all approved lenders financed 32,437 dwellings, compared with 36,810 in 1961 (CHS-Table 31).

Although the life insurance companies were the main source of NHA mortgage funds and financed 18,582 dwellings, the trust companies continued to play a significant role and were responsible for 11,956 units, down somewhat from the record level of 14,426 dwellings in 1961. Loan companies made loans for 1,895 units. The chartered banks, which had virtually withdrawn from NHA lending by 1960, approved only four loans in 1962.

The decline in NHA lending during 1962 took place largely in insured rental loans. Approved lenders made loans for 7,824 units of rental accommodation compared with 10,612 units in 1961.

More than 75% of the dwellings financed under the Act by approved lenders in 1962 was for owner occupancy — 21,324 to be built by merchant builders for sale to owners and 3,289 by owner-applicants who made their own construction arrangements. In 1961, approved lenders reported loans to builders for 22,704 units and to owner-applicants for 3,494 units.

LOANS BY THE CORPORATION

Although policy governing lending by the Corporation was virtually unchanged from 1961, the number and value of loans approved declined appreciably during 1962. At the year-end, the Corporation had approved mortgage loans for 14,705 units — 13,223 to be occupied by home owners and 1,482 in limited-dividend projects. In 1961, the Corporation made loans for 20,298 dwellings for owner occupancy and 3,326 for rental in limited-dividend projects (CHS-Tables 35, 36).

The substantial reduction in the volume of loans to limited-dividend companies — largely those intended to assist in financing rental accommodation for

lower-income families — resulted from more restrictive lending terms applying to companies sponsored by entrepreneurs.

CORPORATION LOANS TO OWNERS AND BUILDERS

As in 1961, Corporation loans were available during the year to eligible owner-applicants in any part of Canada; and to merchant builders, provided the houses to be financed had been pre-sold to qualified purchasers. In both instances, applicants were required to submit written evidence that they had been unable to obtain mortgage accommodation from an approved lender. The Corporation continued its policy of restricting lending where the installation of septic tanks was proposed.

A need was expressed by speculative builders late in the year for public funds to finance display houses. To provide this assistance, particularly to smaller builders outside the metropolitan areas and to encourage additional employment opportunities during the winter months, the Corporation was authorized by the Government in November to make to each qualifying builder two loans without the pre-sale requirement. Loans for the construction of 794 such prototypes were approved.

The Government also directed the Corporation near the year-end to make direct loans for privately-sponsored rental housing projects — particularly in smaller communities — where loans cannot be obtained from approved lenders. Loans were to be made on the same terms and conditions and subject to the same limitations as those by approved lenders.

During the year, the Corporation approved loans to owner-applicants for 8,234 dwellings and to builders for 4,989 dwellings. In 1961, the comparable figures were 13,535 and 6,763 units (CHS-Table 35).

LOANS TO LIMITED-DIVIDEND HOUSING COMPANIES

The number of dwellings financed by loans to limited-dividend housing companies at 1,482 was substantially below the 3,326 reported for 1961 (CHS-Table 37).

The reduced volume arose primarily out of a continuing lack of interest in the limited-dividend field by companies sponsored by entrepreneurs, whose projects are subject to more restrictive terms — a maximum loan of 85% of lending value, a maximum of 100 units at any one time and an average of not less than 2½ bedrooms per dwelling unit — than those applying to non-profit organizations and municipalities.

Limited-dividend developments approved in 1962 provided 342 units for lower-income families in projects sponsored by entrepreneurs and 1,140 units for elderly persons, all by non-profit organizations or municipalities. During 1961, there were 2,747 units for lower-income families and 579 for elderly persons for a total of 3,326, of which non-profit organizations and municipalities sponsored 724 units and entrepreneurs 2,602 (CHS-Table 38).

Loans to limited-dividend companies may be made for the purchase and conversion of existing buildings into low-rental developments. The first loan of this kind was made in 1962 — to Metropolitan Toronto Housing Company Limited

NHA
Section 40

NHA
Section 16

in the amount of \$847,170 for the purchase of an apartment house and its conversion into 154 low-rental units for elderly persons.

LOANS FOR UNIVERSITY HOUSING PROJECTS

NHA
Section 36B

In 1962, NHA loans were made to 19 universities and colleges in a total amount of \$21.2 million for the construction of university residences to house some 4,400 students. The average loan per student accommodated was \$4,864. In addition, at the year-end, preliminary applications had been received from 13 other universities or colleges which, if approved, would result in loans of \$10.1 million to provide dormitories for approximately 2,400 students (CHS-Table 64).

In 1962, junior colleges affiliated to universities and which provide two years of the curriculum leading to a degree from the parent university became eligible for these loans.

The statutory limit on the amount that may be advanced by the Corporation for university housing loans is \$100 million. Since its inception in December, 1960, 41 loans to a total of \$41.5 million have been approved. The residences will accommodate some 8,700 students.

LOANS FOR MUNICIPAL SEWAGE TREATMENT PROJECTS

NHA
Section 36F

National Housing Act loans to assist municipalities to finance sewage treatment projects continued in heavy demand throughout the year.

During 1962, 223 loans in an overall amount of \$45 million were made to 195 municipalities throughout Canada in a continuing effort to combat water and soil pollution. In addition, some 220 preliminary applications or enquiries had been received (CHS-Table 65).

Since enactment of the legislation in December, 1960, 367 loans with an aggregate value of \$85 million have been approved for 297 municipalities, almost one-half of which have a population of less than 1,000. The overall population of communities receiving assistance exceeds six million. Loans have been made in each of the 10 provinces, with British Columbia, Saskatchewan and Ontario the most active.

Several provinces have legislation which complements the Federal Legislation and encourages anti-pollution measures by providing provincial aid.

In contrast to the larger municipalities which generally wish only to extend or improve existing facilities, many villages and small towns receiving Federal Government assistance for sewage works are installing complete systems for the first time. As a result, the per capita loan is higher in most of the smaller communities.

The Act initially provided that one-quarter of the loan and interest thereon be forgiven for work put in place on or before March 31, 1963. To assist those municipalities that had not found it possible to complete their arrangements in time to take advantage of the partial debt cancellation feature of the legislation, Parliament amended the National Housing Act late in the year to extend the expiry date to March 31, 1965.

HOME IMPROVEMENT LOANS

During 1962, the volume of NHA guaranteed bank loans for home improvement purposes continued at a high level. The banks approved 23,895 loans in an amount of \$38.0 million compared to 28,097 for \$42.6 million in 1961 (CHS-Table 57).

NHA
Sections 24, 25, 30

At the year-end, the banks reported \$69.9 million outstanding on home improvement loans compared with \$65.9 million at the end of 1961. The Corporation's liability, which is limited to 5% of total loans made by each lender, was \$13.0 million against \$11.3 million a year ago. The Home Improvement Loan Insurance Fund, comprised of fees received from borrowers, amounted to \$2.5 million. At the end of 1961 the Fund was \$2.2 million.

The amount paid to lenders in claims and for legal expenses during the year decreased to \$222,408 from \$243,312 the previous year. Total claims and legal expenses to date amount to \$778,431 on loans aggregating \$275 million. Recoveries by the Corporation during 1962 amounted to \$37,969, bringing total recoveries to date to \$80,723.

NATIONAL HOUSING ACT MORTGAGES OUTSTANDING

At the end of 1962, total mortgage debt outstanding from operations under the Housing Acts was \$4,984 million — \$3,314 million from loans made by approved lenders and \$1,670 million from loans by the Corporation. The amount outstanding at the end of the previous year was \$4,570 million.

Of the sum outstanding, \$4,120 million resulted from insured loan operations under the National Housing Act, 1954 and \$497 million from joint loan operations under earlier Housing Acts. Uninsured Corporation loans and loans arising out of the sale of Corporation-owned property accounted for a further \$367 million.

Under insured loan operations \$2,626 million were loans held by the lending institutions and \$1,139 million loans held by the Corporation. Joint loan operations prior to the 1954 Act included \$362 million advanced by the approved lenders and \$135 million by the Corporation.

The uninsured loan segment of the total mortgage debt comprised \$171 million from limited-dividend loans, \$70 million from housing loans under rental-guarantee contracts and loans to primary industries, \$27 million in direct loans to home owners prior to the 1954 Act and \$99 million for mortgages and agreements for sale arising out of the sale of Corporation-owned property. Loans for university housing projects gave rise to an additional \$15 million, the bulk of these loans being secured by debentures.

HOLDINGS OF NATIONAL HOUSING ACT MORTGAGES

At the end of 1962, the lending institutions held \$2,626 million in mortgages under the NHA. Of this amount the chartered banks held \$921 million, the life insurance companies \$1,387 million and the trust companies \$213 million. Loan companies, fraternal societies and Quebec savings banks held the remaining \$105 million.

Mortgages to the value of \$355 million were administered by approved lenders or the Corporation for pension and trust funds, individuals and other investors in the mortgage market. Of the 7,450 Corporation loans sold on the mortgage market to date, 2,265 continued under the administration of the Corporation.

The Corporation held the remaining \$1,641 million of mortgages outstanding, made up of 122,838 mortgages and sale agreements administered directly by the Corporation and 19,508 by approved lenders as agents.

MORTGAGE MARKETING

NHA
Section 11

The Corporation continued its efforts to encourage development of a market for National Housing Act insured mortgages (CHS-Table 47).

During the year, three offerings were made to members of the Investment Dealers' Association of Canada, NHA approved lenders and their NHA approved correspondents. The total amount offered to investors was \$83.5 million, but sales were limited to \$60 million, the excess providing prospective investors with more opportunities for selection.

The first offering resulted in the sale of \$15 million of 6% insured mortgage loans at an average price of 97.60. The second offering was postponed owing to unsettled market conditions during the summer months. In the latter part of the year, conditions in the Canadian investment community had improved and a third offering of \$45 million was put on the market with sales limited to \$30 million.

For the first time, the third offering consisted of loans bearing different rates of interest — \$20 million of 6% loans and \$25 million of 6¾% loans. Bids and options were received on every parcel and the full quota of \$30 million was sold. Average prices for the 6% and 6¾% loans were 97.20 and 102.26, respectively.

Since June, 1961 approximately \$85 million of the Corporation's mortgage portfolio has been sold. Of this amount, sales of \$47 million were effected in 1962.

On December 6, 1962 the Corporation was authorized to make available short-term lending facilities to NHA approved lenders as an added stimulus to development of an active mortgage market in Canada. A ceiling of \$100 million was established as the maximum amount of loans to be outstanding at any one time, with the total loan outstanding to any one company limited to the lesser of \$5 million or three times the company's paid-up capital, excluding surpluses. The rate of interest is based on the current NHA interest rate and is graduated, depending on the duration of the loan.

MORTGAGE ADMINISTRATION

INSURANCE, GUARANTEES AND FORECLOSURES

The mortgage insurance settlement terms of the Act provide for payment from the Mortgage Insurance Fund on the principal outstanding, as well as certain interest charges and other expenditures incurred in the acquisition and transfer of a property

to the Fund. At the end of 1962, assets of the Fund amounted to \$102 million, including \$15 million in real estate holdings. During the year, claims against the Fund resulted in the acquisition of 1,187 units and brought total claims paid to date to 2,023 in an aggregate amount of \$20.3 million. In addition, there were 13 cases where the mortgaged property was acquired by the lender, but for which no claim was made against the Fund. Since 1954, there have been 50 cases.

At the end of 1962, arrears on Corporation-administered accounts amounted to \$900,133 compared to \$1,102,251 at the end of 1961.

During the year, six properties were acquired by the Corporation as a result of default in payment on mortgage and sale agreement accounts.

Default in payments on limited-dividend loans and rental-guarantee loans, which are direct loans made by the Corporation to which loan insurance is not applicable, resulted in acquisition of five limited-dividend projects comprising 909 dwelling units and two rental-guarantee projects with 455 dwelling units. Of these, six projects totalling 1,264 units are in the Montreal area.

Of the 901 rental-guarantee and limited-dividend accounts administered by the Corporation, 22 were in arrears in an amount of \$257,630 at the end of 1962. Of these, eight were three months or more in arrears.

In 1962, 21 claims amounting to \$381,060 were paid under rental-guarantee contracts. Since 1952, 68 claims have been paid in an aggregate amount of \$1.2 million.

The Corporation had a contingent liability of \$59.8 million at the end of 1962 arising out of the guarantee of losses sustained by approved lenders on joint loans. During the year a foreclosure procedure was completed in one case.

REAL ESTATE ADMINISTRATION

There was an increase in the number of residential properties owned and administered by the Corporation in 1962. At the beginning of 1962, 11,628 houses and apartment units were under rental. During the year, 752 houses were sold, most of them to occupying tenants, and 1,364 houses and apartment units were acquired from rental-guarantee and limited-dividend companies, the latter comprising the second largest category of dwellings under ownership. At the end of 1962, 12,245 Corporation-owned dwelling units were under administration, comprising 4,938 apartment units and 7,307 houses. Of the total, 831 or 7% were vacant.

Rental revenue from Corporation-owned dwellings amounted to \$7.9 million, or an average annual rental of \$662; in 1961 it was \$643. The increase is attributable to larger amounts collected to offset higher taxes and to the higher rental levels of properties acquired during the year. Rental arrears, at year-end, amounted to \$43,000 or 0.5% of the annual rent receivable. Of the accounts in arrears, 77% was of not more than 30 days' duration. At the end of the previous year, arrears were \$94,000 or 1.25% of rent receivable.

NHA
Section 37
CMHC Act
Section 29

Operating expenses, excluding cost of administration, depreciation and interest on borrowings, totalled \$5.2 million or approximately \$432 per unit. Depreciation and interest on borrowings amounted to a further \$4.2 million.

Payments to municipalities in lieu of taxes were \$2.2 million, compared with \$2 million in 1961. Payments equal to normal taxes were being made on 86% of Corporation-owned dwellings.

On behalf of the Mortgage Insurance Fund, the Corporation administered an apartment project of 191 units in Montreal and 1,540 houses including 873 located at Elliot Lake. Of the houses available for sale or rent, 1,040 were rented and 500 were vacant. There were 97 apartments vacant. During the year, 299 Mortgage Insurance Fund properties and two properties acquired by the Home Improvement Loan Insurance Fund in 1961 were sold.

At the end of 1962, real estate assets of the Mortgage Insurance Fund amounted to \$15 million, an increase of \$8 million over 1961. Profit to the Fund on the sale of properties in the years 1954-1962 totalled \$56,577.

URBAN RENEWAL STUDIES

Under Part V of the National Housing Act, arrangements may be made with a province or with a municipality with approval of the province to conduct studies of the condition of housing and urban areas. Federal contributions may be up to 75% of the cost of such studies.

At the year-end, grants had been approved for Fort William and Port Arthur and neighbouring Townships, \$26,250; Trois-Rivières, \$25,500; Cornwall, \$18,750; Moose Jaw, \$8,550; and Grand Falls and Windsor, Newfoundland, \$10,811.

During the year, reports were published of studies commenced in earlier years by the municipalities of Cornerbrook, Saskatoon, Sault Ste. Marie, Port Moody and Victoria. Studies were in progress in 15 other cities, five of which were approved in 1962 (CHS-Table 62).

Since the first study was undertaken in 1955, 42 have been initiated and, in 10 cities, 15 redevelopment projects are under way or complete.

URBAN REDEVELOPMENT

NHA
Section 23

Throughout the year, there was a continuing interest by Canadian municipalities in the processes of clearance, replanning, rehabilitation and modernization of blighted areas (CHS-Table 61).

A net Federal contribution estimated at \$2.6 million was approved to assist the City of Montreal in the acquisition and clearance of 17.6 acres of a 27-acre redevelopment area in the east end of the City.

A net Federal contribution estimated at \$600,000 was approved by the Government to assist the City of Hamilton in the acquisition and clearance of the Van Wagner's Beach area. The 72 acres of waterfront property on Lake Ontario, consist-

ing of blighted, low-density residential development will be cleared and developed as a public park and recreational area.

With the acquisition and clearance of the 17-acre redevelopment project in the vicinity of Jacob Street, Halifax, virtually complete, the City invited proposals for development of the land by private enterprise. The area may be used for commercial, residential and light industrial development. The land is being offered on a 99-year lease and proposals will be assessed on architectural and economic merits.

Late in 1962, Halifax submitted an application for Federal assistance in its third redevelopment project which is part of a larger, long-term programme of redevelopment and rehabilitation designed to revitalize the older part of the City.

Saint John invited proposals for the development of industrial, commercial and high-density residential land on 12 acres of the Courtenay Place project, part of the 57-acre slum clearance project undertaken prior to 1962. Proposals will be considered early in 1963 and the land will be offered on a 99-year lease basis for private redevelopment. A Federal-Provincial housing project has also been approved for the cleared area. Redevelopment projects approved prior to 1962 were under way in Sarnia, Vancouver, Windsor, Winnipeg and Toronto (Moss Park).

During the year, a number of municipalities gave consideration to neighbourhood rehabilitation involving spot clearance of blighted properties and improvement and repairs to buildings that can be economically rehabilitated.

FEDERAL-PROVINCIAL PROJECTS

RENTAL HOUSING

During 1962, approval was given to Federal-Provincial rental housing projects in Galt, Montreal, Saint John, Saskatoon, Weyburn and Winnipeg and to an extension of an Ottawa project. These will provide a total of 547 dwellings for rent to tenants of low income (CHS-Table 58).

NHA
Section 36

Investigation of projects was under way in 38 municipalities in the Province of Ontario and Federal approval was given to the examination of requests for projects put forward by the County of Halifax, North Battleford and Moncton.

Under Federal-Provincial partnership arrangements, capital costs of construction are shared 75% by the Federal Government and 25% by the Provincial Government. The municipality concerned may be required by the province to finance all or part of the provincial share.

Since the first project was approved under Federal-Provincial arrangements in 1950 until the end of 1962, 11,167 dwelling units in 93 projects have been approved. Of these, 9,035 units are complete and have been turned over to local housing authorities for administration.

Surpluses or deficits arising out of the operation of projects are also shared by the participating governments. Rents for some 3,000 units have been set at a level sufficient to recover capital costs and to meet operating expenses. For the remainder, rents are related to family income and size. The Federal Government's 75% share

of operating deficits incurred during 1961 and paid during 1962 amounted to \$1.1 million.

Under agreements with the Provinces of Nova Scotia and Prince Edward Island and the provincial Housing Commissions, assistance may be given under the National Housing Act to co-operative house-building. In 1962, 12 projects totalling 99 units were approved in Nova Scotia. Since the inception of this programme in 1953, 1,099 units in 124 projects have been approved. One project of 10 units was undertaken in Prince Edward Island in 1962, bringing the total to 113 dwellings in 12 projects since commencement of the arrangement in 1960 (CHS-Table 60).

LAND ASSEMBLY

The National Housing Act also makes provision on a Federal-Provincial partnership basis for the assembly and servicing of land in areas where lack of services is hampering house construction. Capital costs and returns from the sale of lots are shared 75% by the Federal Government and 25% by the province. In some instances, the municipality bears all or a part of the provincial share.

During the year, four land assembly projects were approved — 135 lots in Courtenay, British Columbia; 942 lots in Nepean Township, Ontario; 39 lots in Tisdale Township, Ontario; and 353 lots in St. John's, Newfoundland. Preliminary investigations were also under way in three Ontario municipalities (CHS-Table 59).

An additional 569 lots were offered for sale in 1962. Of these and for projects previously put in a sales position, 414 were sold, bringing the total number serviced and sold under Federal-Provincial arrangements to 9,503.

DESIGN AND CONSTRUCTION

NHA
Section 37
CMHC Act
Section 29

Design and construction activities for housing, buildings and their related services were again carried out for the Department of National Defence, the Department of Northern Affairs and National Resources, Atomic Energy of Canada Limited and for Federal-Provincial partnerships. Consulting services in the fields of architecture and planning were also provided.

Designs were completed or in process for 13 Urban Military Housing projects of some 2,300 dwelling units for the Department of National Defence. Sites of these developments include Dartmouth, Summerside, North Bay, London and Red Deer. The Department of National Defence has instructed that calls for proposals on some of these projects be deferred. Construction was under way on projects comprising 683 units at Uplands, Dartmouth, Red Deer, North Bay and Summerside.

The current programme of Crown-owned permanent married quarters and schools was drawing to a close with the completion of 304 units and three schools at Greenwood and Camp Shilo. Since 1949, under this programme, the Corporation has arranged for the construction of 19,437 housing units and 103 schools or school extensions for the Department of National Defence.

The design of some 2,800 units of rental accommodation was undertaken during the year for Federal-Provincial partnerships. One-half of the units are located

in the Metropolitan Toronto area. Construction proceeded on Federal-Provincial rental housing projects in Halifax, Oshawa, Sudbury, Toronto, Vancouver, Weyburn and Winnipeg. Land assembly developments included Peterborough, St. John's, Sandwich East and Trenton, together with Kingston where architectural control of the project will be exercised. Sub-division plans for the Borden Farm, Ottawa, were prepared by consultants and approved.

The Corporation continued with development of the townsite of Pinawa on behalf of Atomic Energy of Canada Limited. The town plan and relevant by-law have been approved and preliminary work is in progress on the fire and police stations, high school and community centre building. Consultant architects have designed the hospital and commercial centre which are scheduled for construction in 1963. Contracts were awarded for the installation of ground services and for the construction of 108 housing units, a primary school and a hostel. Accommodation at Pinawa is intended for personnel to be employed at the Whiteshell nuclear research establishment.

The preparation of a metropolitan plan for Whitehorse, Yukon Territory, was undertaken at the request of the Department of Northern Affairs and National Resources. During the year, a presentation of survey material and preliminary proposals was made at Whitehorse. Similar studies for Watson Lake and Haines Junction are under way.

Sixteen Corporation-owned houses were constructed at Prince Rupert for rental to employees of the Department of Transport.

The Corporation continued its practice of reviewing housing layouts in developments intended for NHA financing, limited-dividend and insured rental projects to assist in improving the quality of planning and design. In addition, reviews were made of applications submitted for university housing projects to provide accommodation for resident students.

HOUSING RESEARCH AND COMMUNITY PLANNING

Under the National Housing Act, the Corporation is responsible for investigating housing conditions and for distributing information leading to the improvement of housing conditions and community planning.

NHA
Sections 31-35

In addition to its own research, the Corporation provides financial assistance to other organizations engaged in studies related to housing and community planning. In furthering these activities during 1962, the Corporation expended approximately \$1 million both on its own account and through arrangements with outside agencies.

TECHNICAL INVESTIGATIONS

Additional grants totalling \$42,550 were made in 1962 to the Ontario Research Foundation to assist in a continuing programme of research and field testing on self-contained household sewage purification units. Three units were again tested

in houses in Ottawa and Toronto, with others being prepared for installation in the Frobisher Bay and Laurentian areas.

A grant was made to the National House Builders Association to assist in research towards lowering housing construction costs.

In association with the National Research Council and other Government departments and agencies with experimental facilities, the Corporation continued to investigate new materials, methods and equipment to determine their suitability for houses financed under the NHA.

The Corporation participated in the work of the Canadian Government Specifications Board, the Canadian Standards Association and the American Society for Testing and Materials to establish specifications for building materials, equipment and application techniques. Late in the year, *Housing Standards, Canada, 1963* was issued for the first time by the Associate Committee on the National Building Code, National Research Council. Effective April 1, 1963 the new standards will apply to all NHA construction, except apartment buildings. The Division of Building Research, National Research Council, arranged during the year to issue *Apartment Building Standards*.

COMMUNITY PLANNING AND HOUSING INVESTIGATIONS

In March, 1962 the founding conference of the Canadian Council on Urban and Regional Research was held in Ottawa. Principal objective of the Council is to encourage and promote urban and regional research in Canada wherever it can be carried out most effectively. During the year an NHA grant of \$78,000 was authorized for the Council to provide operational funds required to December, 1963. Another grant of \$500,000 was made by the Ford Foundation which will enable the Council's research activities to be effectively carried out over a five-year period.

The Corporation continued to support the Community Planning Association of Canada in its endeavours to stimulate a greater public awareness of the importance of orderly community and regional planning.

Grants were also awarded in 1962 to: The Ontario Association of Housing Authorities for the study of public housing and the roles in public housing of the various levels of government; the Metropolitan Toronto Housing Authority for two research studies — a comparison of capital and operating costs between high-rise and low-rise construction and an assessment of the characteristics of families living in public housing and the progress of families who have left public housing; the Royal Architectural Institute of Canada for a study of the objectives and formulation of zoning by-laws in residential areas to guide municipalities in drafting their own by-laws; and the Province of Ontario for a study and report on minimum standards of occupancy and maintenance of dwellings.

Educational grants awarded during the year included: Five travelling scholarships to students in schools of architecture for a tour of major housing projects in Canada and the United States; fifteen planning fellowships of \$1,500 each to students

registered in five schools of planning in Canada; and five housing bursaries of \$1,200 each to assist university students in graduate courses in the fields of housing, urban redevelopment and estate management.

HOUSING DESIGN

The Canadian Housing Design Council again received Federal support in its programme of encouraging the improvement of house design in Canada. In 1962, the Council sponsored design competitions for single-family and multiple-unit residential construction. Award-winning designs were brought to the attention of consumer groups, architects, designers and builders through public exhibitions and the presentation of awards.

The Corporation continued to work in co-operation with the architectural profession in developing new plans for sale to the public to be incorporated in the catalogue of Small House Designs.

ORGANIZATION AND STAFF

Head Office of the Corporation is in Ottawa. Fifty-three offices throughout Canada carry out its varied activities.

During the year, there were a number of organizational changes. These reflected expanded administrative responsibilities arising out of a continuing increase in the number of mortgage and property accounts, the financing of municipal sewage treatment projects and university housing, secondary mortgage market operations and extension of research in the main housing markets. The full mechanization and centralization of the mortgage accounting operation, coupled with the levelling off in lending activity, permitted growing activities to be staffed largely by employees already on strength. At the year-end, Corporation staff numbered 2,017 compared with 2,056 at December, 1961.

The President and members of the Board of Directors are most appreciative of the co-operation received from all employees during the year and of the efficient manner in which they continued to discharge their responsibilities.

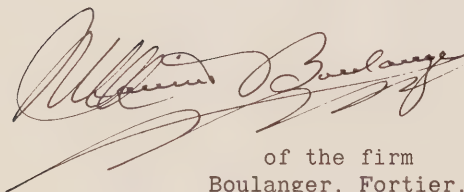
AUDITORS' REPORT

TO THE MINISTER OF PUBLIC WORKS:

We have examined the attached financial statements of Central Mortgage and Housing Corporation for the year ended December 31 1962 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we have considered necessary in the circumstances.

In our opinion, proper books of account have been kept and the transactions of the Corporation that have come under our notice have been within the powers of the Corporation.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the Corporation, the attached financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Corporation as at December 31 1962 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



C.A.

of the firm
Boulanger, Fortier,
Rondeau & Cie



F.C.A.

of the firm
Arthur A. Crawley & Co.

Ottawa, February 8 1963

FINANCIAL STATEMENTS *December 31 1962*

STATEMENT I	Balance Sheet
II	Statement of Income and Expenditure
III	Reserve Fund
IV	Loans Under the Housing Acts
V	Agreements for Sale and Mortgages Arising from Sales of Properties
VI	Real Estate
VII	Corporation's Share in the Joint Ownership of Real Estate under Federal-provincial Agreements
VIII	Assets of the Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantee Funds
	Reserves for Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantees



Riverside Crescent, located in Edmonton, Alberta.

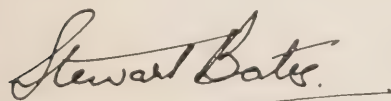
CENTRAL MORTGAGE AND HOUSING CORPORATION

ASSETS	1962	1961
Cash	\$ 12,618,695	\$ 4,076,514
Government of Canada short term securities, at cost, including \$11,143 accrued interest	7,987,963	—
Accounts receivable, less allowance of \$110,772 for doubtful accounts	2,243,722	1,762,800
Expenditures recoverable from Provincial Governments under Federal-provincial Agreements	1,749,585	1,778,983
Due from the Minister of Public Works on current account . .	1,000,363	462,847
Due from the Minister of Public Works for losses (net) in respect of loans, guarantees and other commitments under the Housing Acts	1,118,696	856,734
Loans under the Housing Acts, including \$8,127,238 interest accrued or receivable	1,589,945,586	1,478,794,076
Agreements for Sale and Mortgages arising from sales of properties, including \$453,964 accrued interest	100,019,197	101,739,789
Advances to Municipalities and others on deferred repayment terms, including \$46,622 accrued interest	5,536,495	4,673,825
Real Estate, including business premises — at cost or at values placed by the Board of Directors on properties acquired without cost from the Government of Canada less \$20,519,211 accumulated depreciation	76,160,414	73,358,710
Corporation's share in the joint ownership of Real Estate under Federal-provincial Agreements	92,581,031	86,372,920
Office furniture and equipment, less \$1,503,186 accumulated depreciation	417,311	396,501
Bonds held as deposits	1,675,050	1,924,400
Other assets.	331,130	255,114
	<hr/> 1,893,385,238	<hr/> 1,756,453,213
Assets of the Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantee Funds	108,356,832	92,688,369
	<hr/> \$2,001,742,070	<hr/> \$1,849,141,582
Mortgages under administration for Investors	<hr/> \$ 32,536,622	<hr/> \$ 9,040,151

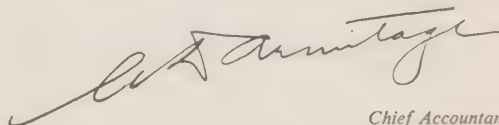
BALANCE SHEET — DECEMBER 31 1962

(with comparative figures for 1961)

LIABILITIES	1962	1961
Accounts payable and accrued liabilities	\$ 2,859,437	\$ 2,316,406
Deposits and contractors' holdbacks	6,934,096	6,931,978
Unearned fees, rentals, and payments received on sales of Real Estate in process of execution	447,602	688,635
Employees' Retirement Account	89,787	82,190
Due to the Receiver General in respect of the excess in Reserve Fund over statutory limitation	10,451,673	10,531,404
Estimated income tax less instalments paid	3,741,590	3,109,714
Borrowings from the Government of Canada, evidenced by debentures of the Corporation:		
For lending under the Housing Acts, including \$11,295,311 accrued interest	1,601,681,590	1,465,617,052
For acquisition and construction of Real Estate under Federal-provincial Agreements, including \$929,243 accrued interest	102,501,100	94,028,974
For acquisition and construction of Real Estate, including \$1,287,983 accrued interest	85,750,997	90,387,197
Surplus arising from valuation of properties acquired without cost from the Government of Canada	2,914,901	3,272,151
Unrealized profits on Real Estate sold on deferred payment terms	46,012,465	49,487,512
Capital, authorized and fully paid by the Government of Canada	25,000,000	25,000,000
Reserve Fund	5,000,000	5,000,000
	1,893,385,238	1,756,453,213
Reserves for Mortgage Insurance, Home Improvement Loan Insurance and Rental Guarantees	108,356,832	92,688,369
	<u>\$2,001,742,070</u>	<u>\$1,849,141,582</u>
Equity of Investors in Mortgages under administration	<u>\$ 32,536,622</u>	<u>\$ 9,040,151</u>



President



Chief Accountant

STATEMENT OF INCOME AND EXPENDITURE

INCOME

Interest earned on loans under the Housing Acts	
Less: Interest on borrowings	
Property Rentals	
Less: Property Expenses:	
Interest on borrowings	
Repairs, maintenance and other expenses	
Payments to municipalities in lieu of taxes and for services	
Depreciation on real estate and equipment	
Interest earned on Corporation's share in projects under Federal-provincial agreements	
Less: Interest on borrowings	
Interest earned on agreements for sale and mortgages	
Less: Interest on borrowings	
Application fees earned on insured mortgage loans	
Fees earned for services rendered to Government agencies	
Profits (net) realized on dispositions of real estate acquired by capital expenditure.	
Premiums earned on sales of mortgages	
Interest earned on investments in securities	
Miscellaneous	

EXPENDITURE

Salaries	
Pension Fund, group and unemployment insurance and medical examinations	
Directors' fees and expenses	
Auditors' fees and expenses	
Legal fees and expenses	
Examination fees paid to Approved Lenders	
Fees to Approved Lenders re: Agency Loans.	
Information services	
Office supplies and expenses	
Rental and expenses of administrative premises	
Telephone, telegraph and teletype.	
Travel, moving expenses and use of employee-owned automobiles.	
Interest allowed on deposits	
Depreciation on business premises	
Depreciation on office furniture and equipment	
Losses on insured Corporation loans	
Miscellaneous	

INCOME LESS EXPENDITURE FOR THE YEAR BEFORE INCOME TAX

Deduct: Estimated Income Tax	
--	--

NET INCOME — TRANSFERRED TO RESERVE FUND

R THE YEAR ENDED DECEMBER 31 1962

(with comparative figures for 1961)

1962

\$85,451,847
 66,523,865 \$18,927,982

8,094,778

\$2,040,330
 3,158,619
 2,217,710
 2,132,482

9,549,141 (1,454,363)

4,001,273

3,726,830 274,443

5,413,383

1,084,236 4,329,147

1,928,657

283,615

289,706

—

168,936

50,633

24,798,756

8,328,400

1,003,555

7,484

36,213

19,746

59,491

1,011,308

30,986

538,472

593,240

189,739

808,781

105,916

119,272

104,134

166,171

472,490

13,595,398

11,203,358

5,615,000

\$ 5,588,358

1961

\$74,961,722

58,637,345

\$16,324,377

7,405,385

\$1,443,054

2,092,029

1,972,572

2,044,568

7,552,223

(146,838)

3,660,105

3,427,661

232,444

5,368,331

1,063,624

4,304,707

2,186,049

225,288

328,259

563,195

44,372

27,892

24,089,745

7,554,646

909,025

7,633

36,665

17,460

144,671

1,115,044

81,888

484,165

598,164

178,789

769,670

105,828

125,820

98,398

96,674

302,222

12,626,762

11,462,983

5,731,000

\$ 5,731,983

Balance, January 1	
Add:	
Net Income for the year	
Profits realized on sales of properties acquired without cost from the Government of Canada	
Deduct:	
Excess over statutory limitation — transferred to the credit of the Receiver General	
Balance, December 31	

LOANS UNDER THE HOUSING ACT

Balances December 31 1961

	<i>Number of Loans Outstanding</i>	<i>Value</i>
<i>Joint Loans (Corporation's Share)</i>	108,468	\$ 154,270,892
<i>Uninsured Loans</i>		
Limited-dividend Housing Companies	309	164,392,325
Mining, Lumbering, Logging and Fishing Industries	15	4,402,483
Home Owners	5,269	29,160,989
University Housing	5	2,714,982
Municipal Sewage Treatment Projects	28	2,986,020
Builders and Others, under Rental Guarantee Contracts	579	71,306,828
	6,205	274,963,627
<i>Insured Loans to Builders and Home Owners</i>		
By the Corporation	77,037	807,162,802
By Agents of the Corporation	19,762	235,129,595
	96,799	1,042,292,397
	211,472	\$1,471,526,916

AGREEMENTS FOR SALE AND MORTGAGES ARISING FROM SALE

Balances December 31 1961

	<i>Number of Accounts Outstanding</i>	<i>Value</i>
<i>Agreements for Sale</i>	17,671	\$ 40,407,036
(Converted to Mortgages)		
<i>Mortgages</i>	13,304	60,889,152
(Converted from Agreements for Sale)		
	30,975	\$101,296,188

YEAR ENDED DECEMBER 31 1962

(with comparative figures for 1961)

STATEMENT III

1962		1961	
\$ 5,000,000		\$ 5,000,000	
\$5,588,358		\$5,731,983	
4,863,315	10,451,673	4,799,421	10,531,404
	15,451,673		15,531,404
	10,451,673		10,531,404
\$ 5,000,000		\$ 5,000,000	

THE YEAR ENDED DECEMBER 31 1962

STATEMENT IV

1962				Balances December 31 1962	
Number of New Loans	Advances and Other Charges	Number of Loans Paid in Full and Foreclosures	Payments Received and Foreclosures	Number of Loans Outstanding	Value
—	\$ —	6,865	\$ 18,999,647	101,603	\$ 135,271,245
36	24,995,563	6	18,193,034	339	171,194,854
—	201,128	3	804,354	12	3,799,257
—	2,757,016	245	5,170,053	5,024	26,747,952
20	12,862,831	—	132,808	25	15,445,005
133	23,760,979	—	1,931,621	161	24,815,378
—	5,898,710	17	11,299,894	562	65,905,644
189	70,476,227	271	37,531,764	6,123	307,908,090
13,808	248,189,106	4,265	143,026,574	86,580	912,325,334
—	7,911	254	8,823,827	19,508	226,313,679
13,808	248,197,017	4,519	151,850,401	106,088	1,138,639,013
13,997	\$318,673,244	11,655	\$208,381,812	213,814	\$1,581,818,348
Interest Accrued or Receivable					8,127,238
Total (including payments in arrears three months and over \$563,562)					\$1,589,945,586

PROPERTIES FOR THE YEAR ENDED DECEMBER 31 1962

STATEMENT V

1962				Balances December 31 1962	
Number of New Accounts	Sales, Transfers and Other Charges	Number of Accounts Paid in Full	Payments Received	Number of Accounts Outstanding	Value
38	\$ 5,108,375	1,171	\$ 9,376,786	16,365	\$ 35,586,949
(173)	(551,676)				
946	12,572,462	467	10,035,006	13,956	63,978,284
173	551,676				
984	\$17,680,837	1,638	\$19,411,792	30,321	\$ 99,565,233
Accrued Interest					453,964
Total (including payments in arrears three months and over \$13,855)					\$100,019,197

REAL ESTATE FOR THE YEAR

	<i>Balances</i> <i>December 31 1961</i>		<i>1962</i>	
			<i>Additions</i>	
	<i>Units</i>	<i>Amount</i>	<i>Units</i>	<i>Amount</i>
<i>Business Premises for Corporation Use . . .</i>	21	\$ 3,511,193	—	\$ —
<i>Rental Housing</i>				
Warworkers' Houses	461	521,968	—	—
Servicemen's Housing				
1947 and prior Programmes . . .	322	966,000	—	—
1948 and 1949 Programmes				
Single Houses	6,392	46,104,527	—	—
Multiple Dwellings	623	5,369,008	—	—
Housing at Pembroke, Gander,				
Renfrew and Sorel	531	6,303,248	—	—
Housing at Prince Rupert	—	—	—	259,546
Housing acquired from Limited-				
dividend Housing Companies				
Single Houses	390	3,263,151	196	1,657,064 ⁽¹⁾
Multiple Dwellings	3,147	26,447,792	713	5,001,032 ⁽¹⁾
Garages	232			
Housing acquired arising from Rental				
Guarantee Loans				
Multiple Dwellings	—	—	456	2,441,369 ⁽¹⁾
	12,098	88,975,694	1,365	9,359,011
<i>Housing Acquired Under Guarantee</i>				
<i>Agreements</i>	5	46,947	—	—
<i>Other Real Estate</i>				
Vacant Land	—	401,381	—	48,723
Miscellaneous	26	110,468	7	42,020
	26	511,849	7	90,743
	12,150	\$93,045,683	1,372	\$9,449,754

(1) Represents acquisitions arising from mortgage defaults by companies.

(2) Adjustment of 1961 disposition.

CORPORATION'S SHARE IN THE JOINT OWNERSHIP OF REAL ESTATE UNDER FEDERAL

	<i>Balances</i> <i>December 31 1961</i>		<i>1962</i>
			<i>Additions</i>
Rental Housing Projects	\$77,118,108		\$6,894,528
Land Assembly Projects	11,310,319		663,283
	\$88,428,427		\$7,557,811

DED DECEMBER 31 1962

1962

Dispositions

<i>Units</i>	<i>Amount</i>
1	\$ (14,204) ⁽²⁾
7	6,538
63	189,000
750	5,399,351
—	—
10	113,000
—	—
6	40,556
—	—
—	—
836	5,748,445
1	9,323
—	35,378
6	36,870
6	72,248
844	\$5,815,812

Balances December 31 1962

<i>Units</i>	<i>Amount</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>
20	\$ 3,525,397	\$ 1,119,808	\$ 2,405,589
454	515,430	—	515,430
259	777,000	381,439	395,561
5,642	40,705,176	11,034,537	29,670,639
623	5,369,008	1,907,010	3,461,998
521	6,190,248	970,753	5,219,495
—	259,546	6,489	253,057
580	4,879,659	849,197	4,030,462
3,860 232}	31,448,824	4,143,578	27,305,246
456	2,441,369	61,034	2,380,335
12,627	92,586,260	19,354,037	73,232,223
4	37,624	8,811	28,813
—	414,726	—	414,726
27	115,618	36,555	79,063
27	530,344	36,555	493,789
12,678	\$96,679,625	\$20,519,211	\$76,160,414

PROVINCIAL AGREEMENTS FOR THE YEAR ENDED DECEMBER 31 1962

1962

Dispositions

\$ —
574,231
\$574,231

Balances December 31 1962

<i>Amount</i>	<i>Accumulated Recovery of Investments</i>	<i>Net Book Value</i>
\$84,012,636	\$2,830,976	\$81,181,660
11,399,371	—	11,399,371
\$95,412,007	\$2,830,976	\$92,581,031

STATEMENT OF MORTGAGE INSURANCE, HOME IMPROVEMENT LOAN

ASSETS

MORTGAGE

	1962	1961
Cash	\$ 632,015	\$ 366,141
Securities issued or guaranteed by the Government of Canada, at amortized cost (approximate market value \$76,790,300) . . .	80,669,618	76,895,407
Accrued interest on securities	1,220,745	1,196,487
Mortgages	4,936,035	1,517,217
Accrued interest on mortgages	27,025	8,289
Real estate, at cost, represented by claims in process for payment .	1,136,027	3,110,967
Real estate, at cost less recoveries, for properties at Elliot Lake . .	6,769,080	3,230,826
Other real estate, at lower of cost or estimated realizable value . .	7,848,222	3,554,207
	<u>103,238,767</u>	<u>89,879,541</u>
Claims in process for payment	(1,136,027)	(3,110,967)
Tenants' deposits	(70,420)	—
	<u>(1,206,447)</u>	<u>(3,110,967)</u>
	<u>\$102,032,320</u>	<u>\$86,768,574</u>

Contingent liabilities: mortgage insurance

HOME IMPROVEMENT

Cash	\$ (2,457)	\$ 14,514
Securities issued or guaranteed by the Government of Canada, at amortized cost (approximate market value \$2,349,300) . . .	2,437,841	2,130,967
Accrued interest on securities	34,438	31,835
Mortgages	8,719	—
Accrued interest on mortgages	48	—
Real estate, at cost	<u>2,775</u>	<u>15,916</u>
	<u>2,481,364</u>	<u>2,193,232</u>
Claims in process for payment	(29,045)	—
	<u>\$ 2,452,319</u>	<u>\$ 2,193,232</u>

Contingent liabilities: amount insured

RENTAL

Cash	\$ 22,464	\$ (18,366)
Securities issued or guaranteed by the Government of Canada, at amortized cost (approximate market value \$3,557,000) . . .	3,839,132	3,691,415
Accrued interest on securities	54,936	53,514
	<u>3,916,532</u>	<u>3,726,563</u>
Claims in process for payment	(44,339)	—
	<u>\$ 3,872,193</u>	<u>\$ 3,726,563</u>

Contingent liabilities: current year's rental

Total	<u>\$108,356,832</u>	<u>\$92,688,369</u>
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INSURANCE AND RENTAL GUARANTEE FUNDS - DECEMBER 31 1962

(with comparative figures for 1961)

INSURANCE FUND

RESERVES

	Balances December 31 1961	Year 1962	Balances December 31 1962
Fees and premiums received	\$75,135,462	\$11,576,518	\$ 86,711,980
Net income from securities	11,685,881	3,604,915	15,290,796
Interest earned on mortgages	105,658	217,293	322,951
Rentals earned on real estate	216,531	862,874	1,079,405
Real estate acquired on claims	11,713,038	9,714,641	21,427,679
Profit (net) on sales of securities	40,687	—	40,687
Profit (net) on sales of real estate	(3,975)	60,552	56,577
	<u>98,893,282</u>	<u>26,036,793</u>	<u>124,930,075</u>
Deduct:			
Claims and legal expenses	11,713,038	9,714,641	21,427,679
Sales expense	—	100,248	100,248
Allowance for revaluation of real estate	164,524	177,400	341,924 ⁽¹⁾
Maintenance of real estate	247,146	780,758	1,027,904
	<u>12,124,708</u>	<u>10,773,047</u>	<u>22,897,755</u>
	<u>\$86,768,574</u>	<u>\$15,263,746</u>	<u>\$102,032,320</u>

(1) Excluding properties at Elliot Lake and claims in process.

Balance approximately \$4,123,000,000

RENTAL INSURANCE FUND

Fees and premiums received	\$ 2,370,658	\$ 382,443	\$ 2,753,101
Net income from securities	317,649	106,196	423,845
Interest earned on mortgages	—	269	269
Rentals earned on real estate	882	608	1,490
Recoveries on claims	42,754	37,969	80,723
Real estate acquired on claims	15,916	(13,141)	2,775
Profit (net) on sales of securities	1,873	—	1,873
Profit (net) on sales of real estate	—	(3,247)	(3,247)
	<u>2,749,732</u>	<u>511,097</u>	<u>3,260,829</u>
Deduct:			
Claims and legal expenses	556,023	251,453	807,476
Maintenance of real estate	477	557	1,034
	<u>556,500</u>	<u>252,010</u>	<u>808,510</u>
	<u>\$ 2,193,232</u>	<u>\$ 259,087</u>	<u>\$ 2,452,319</u>

Balance approximately \$ 12,976,000

RENTAL GUARANTEE FUND

Fees and premiums received	\$ 3,891,281	\$ 358,649	\$ 4,249,930
Net income from securities	694,529	173,079	867,608
Profit (net) on sales of securities	(238)	—	(238)
Sundry income	3,600	39,301	42,901
	<u>4,589,172</u>	<u>571,029</u>	<u>5,160,201</u>
Deduct:			
Claims and legal expenses	862,609	425,399	1,288,008
	<u>\$ 3,726,563</u>	<u>\$ 145,630</u>	<u>\$ 3,872,193</u>

Balance guaranteed approximately \$ 15,006,000

Total	<u>\$92,688,369</u>	<u>\$15,668,463</u>	<u>\$108,356,832</u>
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EXPLANATORY NOTES TO FINANCIAL STATEMENTS

ASSETS

Accounts receivable

Balances due from housing authorities in respect of annual instalments on Corporation's share of investment in Federal-Provincial housing projects, rentals due from housing tenants and sundry accounts receivable from government departments and agencies, and others. Of an increase of \$481,000 over 1961, \$424,000 is attributable to increased amounts receivable from housing authorities due to the operation of a larger number of projects.

Expenditures recoverable from Provincial Governments under Federal-Provincial Agreements

Expenditures representing provincial share of the cost of land assembly and rental housing projects currently recoverable from provincial governments including an amount due from the Province of Newfoundland of \$671,500 which has been accruing since October 1 1958.

Due from the Minister of Public Works on current account

Balance of recoverable expenditures for (a) net premiums arising from sales of mortgages; (b) research, investigations, planning and information services; (c) fees and expenses for supervising construction of military housing and schools for the Department of National Defence; (d) other sundry items.

Due from the Minister of Public Works for losses (net) in respect of loans, guarantees and other commitments under the Housing Acts

Operating losses (net) on Corporation's share in Federal-Provincial housing projects, less profits (net) on sales of properties acquired by foreclosure of joint loans and Corporation uninsured loans.

Advances to Municipalities and others on deferred repayment terms

Balances recoverable in respect of financing the installation of municipal ground services by the Corporation in partnership with provincial governments.

Corporation's share in the joint ownership of Real Estate under Federal-Provincial Agreements

Comprises 75% of (a) the unrecovered cost of rental housing projects; (b) unsold lots and; (c) uncollected balances on lots sold in land assembly projects. Investment in rental housing projects is recoverable by annual instalments from housing authorities, and cost of land assembly projects is recoverable from proceeds of lot sales.

Bonds held as deposits

Consists of bonds issued or guaranteed by governments, and held primarily (a) on behalf of rental guarantee mortgagors to ensure availability of funds for repairs and replacements; (b) as borrowers' tax deposits; (c) as security deposits in respect of construction contracts.

Other assets

Unexpired portion of group and other insurance premiums, unexpired portion of grants to municipalities in lieu of taxes, accountable advances to employees, cafeteria inventories and sundry prepaid expenses.

Mortgages under administration for Investors

Insured mortgages sold by the Corporation to investors who have elected that the mortgages be administered by the Corporation.

LIABILITIES

Accounts payable and accrued liabilities

Unpaid progress estimates owing to contractors, amounts for operating expenses owing or accrued, balances owing to municipalities in respect of house sales and to provincial governments under Federal-Provincial Agreements.

Deposits and contractors' holdbacks

Consists primarily of deposits in respect of the cost of replacements and repairs and rental guarantee premiums not yet due as provided for in rental guarantee contracts, deposits to guarantee satisfactory

completion of contracts and payments withheld in respect of work performed, borrowers' tax deposits, tenants' rent deposits and other deposits in respect of commitments to the Corporation.

Employees' Retirement Account

Amounts deposited by employees who are not participants in the Pension Fund, held pending retirement or separation. The Pension Fund which is established under authority of the CMHC Act is not included in these statements, being vested in trustees.

Borrowings from the Government of Canada

	<i>Amount Borrowed in 1962</i>	<i>Amount Repaid in 1962</i>
Borrowings for lending under the Housing Acts (\$ million).....	205.5	70.0
Borrowings for acquisition and construction of real estate under Federal-Provincial Agreements (\$ million).....	10.0	1.6
Borrowings for acquisition and construction of real estate (\$ million).....	—	4.6

Surplus arising from valuation of properties acquired without cost from the Government of Canada

Capitalized value of remaining real estate acquired without cost from Wartime Housing Limited in 1948, and of housing projects at Renfrew and Sorel acquired from the Department of Defence Production in 1957.

Unrealized profits on Real Estate sold on deferred payment terms

Each year a proportionate amount of unrealized profits, based on the recoveries of principal to the sales price, is treated as earned or realized. Such realizations are credited to Reserve Fund when arising from sales of real estate acquired by the Corporation without cost, and to the income account when arising from sales of real estate acquired by capital expenditure.

INCOME

In 1962 advances on loans made under the Housing Acts exceeded repayments by \$110,000,000. This resulted in an increase of \$10,500,000 in gross interest earned over 1961. Interest on borrowings for lending purposes increased by only \$7,900,000 thereby resulting in a net increase in interest earned of \$2,600,000.

During 1962, 844 rental housing units were sold and 1372 added to the housing inventory, a net increase of 528 units under administration. Of the housing units added, 1365 were acquired through mortgage defaults. Rental revenue increased by \$689,000 while operating expenses increased by \$1,997,000 resulting in an increase in net rental loss of \$1,308,000. Increased operating expenses were mainly attributable to increased costs of repairs and maintenance; larger payments to municipalities in lieu of taxes and a greater provision for depreciation. While the increased number of housing units resulted to some extent in higher operating expenses, they did not yield a comparable increase in rental revenue due to high vacancy loss.

Application fees earned on insured mortgage loans decreased by \$257,000 from the previous year due to a decline in the lending activity in 1962 and the Corporation's practice of treating fees received as being earned over an eight month period.

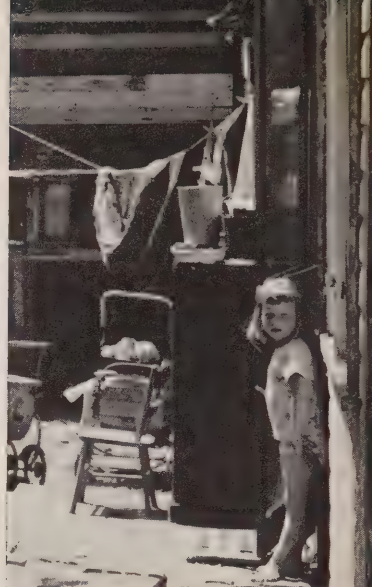
EXPENDITURE

Expenditure was \$969,000 greater than in the preceding year as compared to an increase of \$709,000 in income.

The increases of \$774,000 in salaries and of \$95,000 in Pension Fund, group and unemployment insurance expenses are due mainly to a general increase in wage levels.

Losses on insured Corporation loans represent losses on defaulted loans not claimable against the Mortgage Insurance Fund.

Other increases in expenditure resulted from the general expansion of the Corporation's activities.



■ Poor housing like that shown above is being cleared and residents offered accommodation on the site or elsewhere in housing provided under Federal-Provincial arrangements. Two recent projects are (upper left) Skeena Terrace, Vancouver and (left) Mulgrave Park, Halifax.

LEGISLATION AND POLICY

On December 20, the National Housing Act was amended by CH. 17, S.C., 1962-63, as follows:

To extend for an additional two years (to March 31, 1965) the period within which construction of a sewage treatment project for which a loan has been or is to be made must be completed if the municipality or municipal corporation is to be granted a reduction of indebtedness.

NHA
Section 36G

The main amendment to the National Housing Loan Regulations was as follows:

To incorporate minor changes in the policy of mortgage loan insurance issued to approved lenders and to clarify certain definitions and forms in the Home Improvement Loan provisions.

Principal policy changes in 1962 were:

On April 30, family allowances were excluded in computing incomes for setting rents in Federal-Provincial public housing projects in Ontario where rents are based on family income; the same arrangement was subsequently negotiated with some other provinces.

On June 25, the list of institutions eligible for loans to assist in financing accommodation for resident students was extended to include not only degree-conferring universities and colleges but junior colleges affiliated with universities and which teach two years of the curriculum leading to a degree from the parent university.

On November 8, the Corporation was authorized to make two loans, not subject to the pre-sale requirement, to any builder to assist in financing construction of display houses, provided applications were received prior to January 1, 1963.

On December 6, as a further stimulus to development of a mortgage market in Canada, the Corporation was authorized to make available short-term lending facilities to NHA approved lenders.

On December 20, the Government directed the Corporation to consider applications for rental loans in all centres — particularly the smaller communities — where, in the opinion of the Corporation, a need exists and applicants are unable to obtain mortgage financing from approved lenders.

CENTRAL MORTGAGE AND HOUSING CORPORATION

Central Mortgage and Housing Corporation is a Federal Crown corporation incorporated by Act of Parliament in 1945 (R.S.C. 1952, c. 46). Under this Act, the National Housing Act, 1954, and earlier Housing Acts, the Corporation is empowered to:

Insure mortgage loans on new housing made by banks, life insurance, trust and loan companies and other approved lenders;

NHA
Section 6

Make mortgage loans to borrowers unable to obtain insured loans from private NHA lenders and make mortgage loans to limited-dividend housing companies on low-rental housing projects;

NHA
Sections 16, 40

Make loans to universities to assist in providing dormitory accommodation for resident students;

NHA
Section 36B

Make loans to municipalities or municipal sewerage corporations to assist in the construction or expansion of sewage treatment projects for the control of water and soil pollution;

NHA
Section 36F

Provide insurance to banks on loans made for home improvement, and guarantee returns from moderate-rental housing projects built by life insurance companies and private investors;

NHA
Sections 14, 15, 24, 25, 30

Buy and sell insured mortgage loans, make loans to mortgage lenders on the security of mortgages and purchase the debentures of lending institutions;

NHA
Section 11
CMHC Act, Section 28

On behalf of the Federal Government, join with municipalities in the acquisition and clearance of blighted areas for urban redevelopment;

NHA
Section 23

Undertake jointly with provincial governments the development of serviced land for residential purposes, the construction of new housing projects and the acquisition of existing buildings in urban renewal areas and their improvement or conversion for public housing;

NHA
Section 36

Construct, own and manage housing projects on its own account and on behalf of Federal Government departments and agencies;

NHA
Section 37
CMHC Act, Section 29

Encourage the development of better housing and sound community planning and, in carrying out this responsibility, to undertake or arrange for studies and research on the technical, economic and social aspects of housing.

NHA
Sections 31, 32, 33

BOARD OF DIRECTORS

*STEWART BATES,
President and Chairman of the Board

*P. S. SECORD, O.B.E.,
Vice-President

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Montreal

R. B. BRYCE,
Ottawa

MRS. MARGARET CAMPBELL, Q.C.,
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J. C. MILLER, Q.C.,
Portage la Prairie

*J. F. PARKINSON,
Ottawa

MAJOR-GENERAL H. A. YOUNG, C.B., C.B.E., D.S.O., C.D.,
Ottawa

**Member of the Executive Committee*

***Alternate Member of the Executive Committee*

CENTRAL MORTGAGE AND HOUSING CORPORATION OFFICES

HEAD OFFICE

Ottawa, Canada

REGIONAL OFFICES

Halifax

Montreal

Toronto

Winnipeg

Vancouver

LOCAL OFFICES

Fredericton, Gander, Halifax, Moncton, Saint John,
St. John's.

Chicoutimi, Montreal, Quebec, Rimouski, St-Lambert,
Sherbrooke, Trois-Rivières, Val-d'Or, Sept-Îles.

Barrie, Elliot Lake, Fort William, Hamilton, Kingston,
Kitchener, London, North Bay, Oshawa, Ottawa,
Peterborough, St. Catharines, Sarnia, Sault Ste. Marie,
Scarborough, Sudbury, Toronto, Windsor.

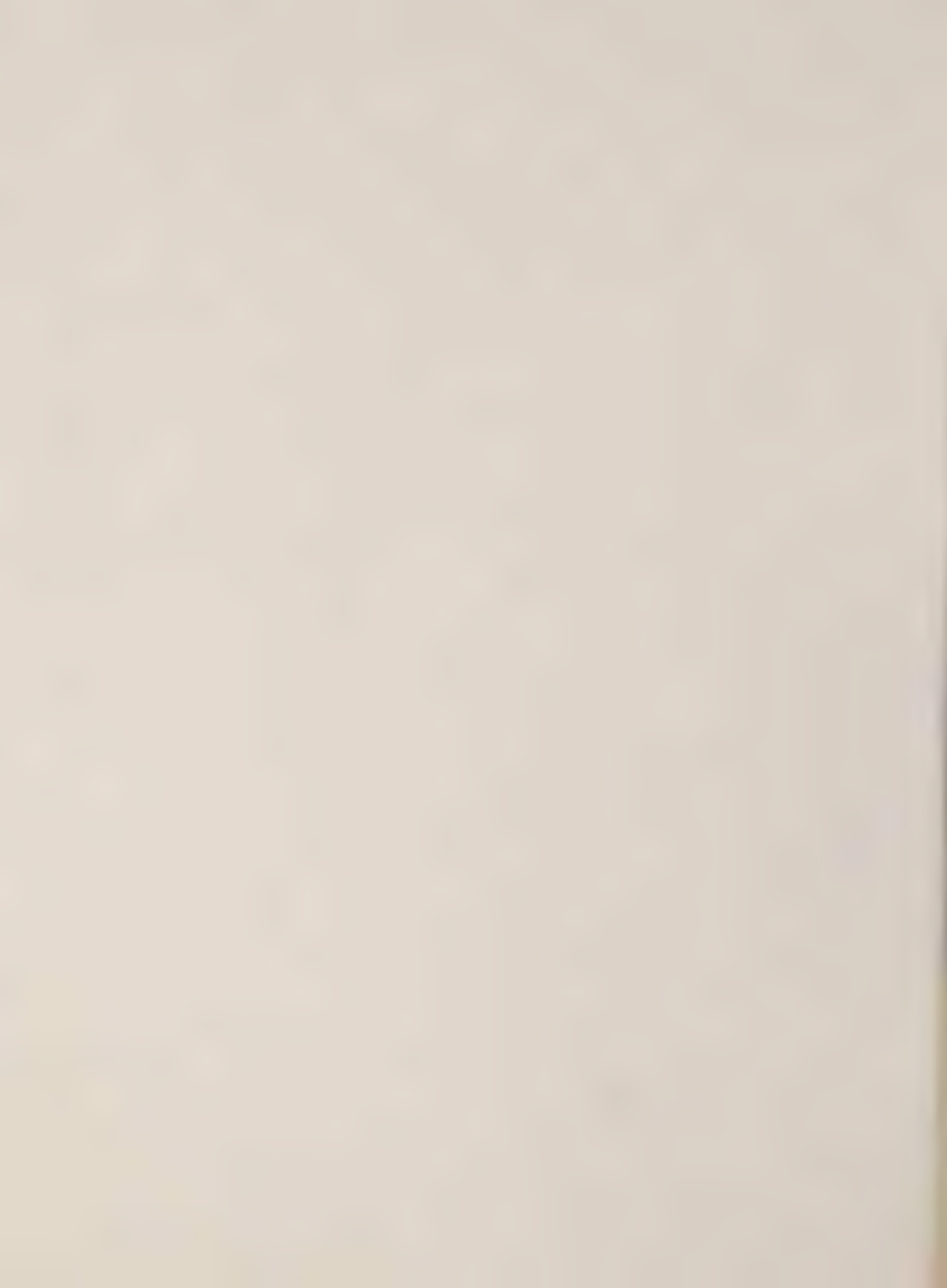
Calgary, Edmonton, Lethbridge, Red Deer, Regina,
Saskatoon, Winnipeg.

Kelowna, New Westminster, Prince George, Trail,
Vancouver, Victoria, Dawson Creek.



Ottawa, CANADA

Lacking 1963.



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Government
Publications



Central Mortgage and Housing Corporation

(Annual Report 1964)



Government
Publications



Central Mortgage and Housing Corporation
Annual Report 1964

NHA-financed apartment, Toronto.



On March 13, 1964 the Honourable John R. Garland, P.C., M.P., the Minister responsible to Parliament for Central Mortgage and Housing Corporation, died suddenly in his forty-seventh year. Mr. Garland had been the Member of Parliament for Nipissing since 1949 and the Minister of National Revenue since April, 1963.

Two months later, on May 24, the staff of the Corporation mourned the sudden death of its second President, Stewart Bates, M.A., LL.D., F.R.A.I.C. (Hon.). Dr. Bates came to the Corporation in 1954 following a distinguished career as an economist and university professor in both the United Kingdom and Canada, and as a senior Canadian public servant.

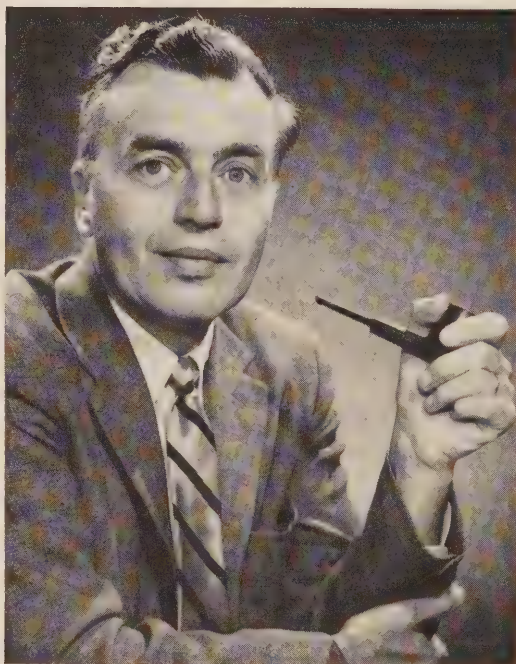


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CENTRAL MORTGAGE AND HOUSING CORPORATION

March 10, 1965.

Honourable J. R. Nicholson, P.C., O.B.E., Q.C., M.P.,
Ottawa, Canada.

Dear Mr. Nicholson:

On behalf of the Board of Directors,
I have the honour to submit to you the 19th annual
report of Central Mortgage and Housing Corporation
and a statement of accounts for the year
ended December 31, 1964.

Yours very truly,

A handwritten signature in dark ink, appearing to read "H. A. McLaughlin", written in a cursive style.

President.

1 Canada's Housing in 1964

Residential construction reached record levels in 1964.

Responsible in large measure for the greater volume was a substantial increase — for the fourth successive year — in starts of apartment dwellings; these in turn carried rental construction to new peaks and illustrated vividly the changes that have taken place in the structure of housing demand.

Completions were at a new high because of the large number of dwellings under construction at the beginning of the year. The overall result was a total investment in house building of \$2.03 billion, 18.3% higher than in 1963.

Apart from the record building programme, 1964 was notable for Parliamentary approval of broad and significant amendments to the National Housing Act. The statutory revisions brought new flexibility and purpose to the housing legislation, enabling it to play a more active and useful role in the revitalization of the nation's towns and cities and in the provision of accommodation for lower-income families.

At 165,658, housing starts financed from all sources were 11.5% higher than the 1963 total of 148,624 and slightly above the record set in 1958.

There were 150,963 dwelling units completed in 1964, surpassing by 17.8% the 128,191 completed during 1963 and by 2.9% the earlier high established in 1958.

The number of dwelling units under construction at the end of 1964 totalled 107,718 compared with 96,613 at the beginning of the year.

Although total starts rose by more than 11%, all of the increase was in the construction of apartment and row units, up 26%. Starts of single-detached and other dwellings were virtually unchanged from 1963.

The increase in rental-type dwellings was country-wide, with almost two-thirds of the metropolitan and major urban areas experiencing expanded activity. As a result, the proportion of starts of apartments and row dwellings to total starts exceeded 48% in 1964. In 1961, the figure was 30%. It was 15% in 1951.

The relatively stable trend in starts of single-detached and other dwellings intended primarily for home-ownership continued in 1964. The year ended with starts of detached units totalling 85,785, compared with 85,049 in 1963. Demand for housing was more than sufficient to absorb the heavy carry over of units under construction at the end of 1963 without excessive gains in inventories.

Most of the starts of detached dwellings were in the opening and closing months of the year, largely

as the result of the impetus supplied by special winter programmes. These included renewal of the Winter House Building Incentive Programme of a \$500 payment to the first owners of winter-built houses; the renewal of direct Corporation lending to builders without the usual requirement that the houses so financed be sold in advance; and a programme of loans to builders for the construction of display houses to help them with merchandising plans.

Introduced on an experimental basis the year before, the Winter House Building Incentive Programme was successful in providing increased winter employment in the building trades. There were 28,123 dwelling units approved for bonus payments amounting to \$14 million under the 1963-64 programme. The 1964-65 programme started November 16, two weeks earlier than in the previous year. It will end on March 31, 1965. Preliminary information indicates that the 1964-65 programme will be at about the same level as in the year before.

The upturn in the volume of building activity in 1964 was made possible by a corresponding increase in mortgage funds from both the lending institutions and the Federal Government. Mortgage money was generally plentiful from all sources and there were indications during the year of an easing of terms under which loans could be obtained from conventional lenders. Furthermore, important innovations in mortgage lending supplemented traditional practices in the mortgage market. Specifically, a number of lending institutions responded to a demand for residential mortgage money in excess of the limit of $66\frac{2}{3}\%$ of property value which they are permitted to make under a first mortgage. They joined with newly-incorporated firms to make combined first and second mortgage loans of $83\frac{1}{3}\%$ on the security of owner-occupied, single-family houses and duplexes. While actual lending under this arrangement was moderate during the year, its potential is great.

Activity under the National Housing Act increased slightly over 1963. Direct lending by the Corporation was higher than in 1963, owing to the winter programmes for single houses. There was also a marked gain in direct loans for apartment construction, particularly in the smaller centres. Approved lender activity fell below that of 1963. In total, one-third of all housing starts in 1964 were financed by loans under the National Housing Act.

Lending activity outside the National Housing Act financed much of the increase in housing starts in 1964. These starts rose to 110,812 from 98,906, much of it being financed on a conventional basis by life insurance and trust and loan companies. All types of dwellings shared in the increase, with rental loans accounting for the larger portion.

The latest changes to the National Housing Act (Legislation and Policy — Page 28) were brought forward by the Federal Government in May, approved by Parliament and given Royal Assent on June 18. The measures are another step in the evolutionary development of Federal housing statutes and provide evidence of the adaptability of the National Housing Act to changing times and circumstances. In particular, the stress placed on urban renewal and public housing is indicative of an awareness of two of the country's most challenging problem areas — the need to produce additional housing for low-income families and the elderly and to assist in the process of urban renewal.

The implications of the amendments are the theme of a series of general meetings being convened in various centres across Canada by the Honourable John R. Nicholson, P.C., O.B.E., Q.C., M.P., the



One in a series of meetings on the National Housing Act amendments.

Minister responsible to Parliament for the Corporation. During 1964, such meetings were held in Alberta, Newfoundland, Nova Scotia and Ontario. Others are to be arranged in 1965. Attended by elected and appointed officials from all levels of government, the conferences offer an opportunity to discuss the implementation of the latest legislative changes, notably those dealing with urban renewal and public housing.

The new NHA measures are expected to bear a decisive impact upon the Canadian housing scene in the years ahead. Furthermore, the rising volume of new housing starts in 1964 took place against the background of an increasing demand for housing. Net family and non-family household formation is rising and will continue to do so in the years ahead. The second half of the present decade should therefore see even higher levels of housing starts, with particular emphasis on rental housing.



2 Corporation Operations

The administrative responsibilities of the Corporation continued to grow during 1964. These resulted from an increase in lending programmes, from changes arising out of the amendments to the National Housing Act and from an expansion of duties, including those in connection with the Winter House Building Incentive Programme. In addition, there were important policy changes.

The Corporation made direct loans for 28,681 dwelling units in 1964, a gain of 16.5% over the 24,609 financed in 1963. This activity was made up of a 15% increase in loans to owners and builders for home-ownership dwellings and a 29% increase in the number of rental dwelling units. The insured loans programme by approved NHA lenders declined by about 10%. Nevertheless, overall lending activity under the National Housing Act rose by 1.7%, covering 55,640 units compared with 54,694 in 1963.

The higher volume of direct Corporation lending reflected in part the reduced activity of the approved lenders in making loans for home-ownership dwellings and in part policy changes in the later months of the year in support of the Winter House Building Incentive Programme. Thus, in July, builders were permitted to apply to the Corporation for one or two loans to build display houses. The announcement coincided with National Home Week and with the inauguration of several "Parade of Homes" programmes arranged in various centres by builders as a method of attracting buyers. In September, the Corporation was authorized to make direct loans to builders without the usual pre-sale requirement.

The extended programme of Corporation loans to builders for home-owner housing closed December 31. In the last three months of 1964, applications were received for 14,040 dwelling units. Fourth quarter applications the year before were received for 15,940 units. Loans to builders for the construction of display houses were available for a three-month period ending October 1. Applications for 1,264 such houses were received.

NHA inspection procedures were amended during the year to improve the service to borrowers and builders and to facilitate continuity of construction.

Applicants for the Winter House Building Incentive Bonus were required to apply directly to Corporation offices for certification instead of through the Department of Labour as in the previous year.

The Corporation continued to perform the necessary inspection services on behalf of the Department of Labour for all houses constructed under the programme.

The Associate Committee on the National Building Code, which includes Corporation representatives, completed work on its new "Residential Standards". The book is a combination of two existing publications — Housing Standards and Apartment Standards — and prescribes standards for all new residential construction.

The Corporation continued to investigate the performance of new materials, methods and equipment to determine their suitability for NHA-financed housing. The method of accepting building materials was revised to allow local offices of the Corporation more freedom in determining acceptability in terms of the standards required. Certain materials will continue to be considered for acceptance at the Corporation's Head Office in Ottawa.

Net Income

The Corporation's income in 1964 was \$10,646,804. After provision for income tax, net income was \$5.0 million compared to \$5.2 million reported in 1963. After transferring this amount to the Reserve Fund, adding to it \$5.0 million realized from the sale of property acquired from the Government of Canada and deducting a further \$1.4 million for reassessment of income tax for the years 1959 to 1963, the sum of \$8.6 million was credited to the Receiver-General.

LOANS BY THE CORPORATION

Corporation loans continued to be made primarily for home-ownership dwellings during 1964, although the volume of loans for rental properties increased by two-thirds from 1963. A large portion of the Corporation's lending activity took place in the last quarter of the year, reflecting the influence of the Federal Government's Winter House Building Incentive Programme. In the last three months of 1964, loans for 16,378 units were approved.

Loans for Home-Ownership and Rental Properties

Corporation loans to owners and builders at 25,254 were 15.0% higher than the 21,953 in 1963. Loans to owner-applicants accounted for 7,790 dwellings and to builders for 17,464. The comparable figures for 1963 were 8,012 and 13,941. (*CHS — Tables 28, 29, 30*)

Loan applications for 1,566 rental units were approved in 1964, compared with 562 units financed during 1963. Most of this activity was in smaller centres where there was a need for rental properties and where applicants were unable to obtain the required mortgage financing from approved lenders.

Loans to Non-Profit and Limited-Dividend Companies

In the amendments of June, 1964 a new section was added to the provisions of the National Housing Act under which loans are available to assist in financing the construction or conversion of rental projects for lease to individuals and families of low income. The new legislation provides for 90% loans by the Corporation to non-profit corporations for housing projects, either new or converted, for low-income persons or families who are otherwise unable to find suitable accommodation. Under the revision, the Corporation is empowered to make loans to non-profit groups to finance housing comprising not only self-contained units, but hostels, dormitories or any combination of them.

Forty-four loans to non-profit companies in an aggregate amount of \$12.0 million for 1,861 self-con-

tained units and hostel accommodation for 266 persons were approved during 1964. In 1963, some 36 limited-dividend loans were approved to entrepreneurs and non-profit housing companies for the construction of 2,094 dwellings for elderly persons and families of low income. (*CHS — Table 32*)

Loans committed in 1964 provided 153 units for families of low income and 1,708 units for elderly persons. These compared with 1,111 units for low-income families and 983 for elderly persons approved the year before.

INSURED LOANS BY APPROVED LENDERS

National Housing Act loans by approved lenders declined by 10.4% to 26,959 units in 1964 from 30,085 units in 1963. This included a 73.0% increase in rental loans and a 40.9% decrease in home-ownership loans. It marked the third consecutive year in which there was a reduction in insured mortgage lending by approved NHA lenders.

The pattern of lending by approved lenders stabilized after a rather slow start. During the year loans were made to owners and builders for 13,030 units compared to 22,035 units in 1963. In the same period approved lenders made rental loans for 13,929 units compared to loans for 8,050 units in 1963. (*CHS — Tables 28, 29, 30*)

URBAN RENEWAL

Until recently, the approach to urban renewal and, in turn, the nature of Federal assistance had been restricted to demolition. The Corporation was empowered to contribute up to one-half the cost of acquiring and clearing a blighted or substandard area in a municipality. This approach has now been changed.

Experience has demonstrated that urban renewal is in reality a collective term describing the orderly process of rebuilding a city, or parts of it, to improve conditions. It may consist of not one, but three approaches — redevelopment, rehabilitation and conservation — used severally or collectively in designated areas.

One of the main revisions to the National Housing Act during 1964 dealt with the offering of new and additional financial assistance for the comprehensive renewal of Canadian towns and cities. The Corporation was given the authority to make financial contributions to assist provinces and municipalities to rehabilitate, as well as redevelop, urban renewal areas.

A province or municipality could apply for a Federal contribution of 75% of costs to carry out a city-wide urban renewal study to identify areas of blight. This is unchanged.

Under the new approach, a province or a municipality may also ask for a 50% grant to help in the preparation of an urban renewal scheme for any specific blighted or sub-standard area. Such schemes will comprise all the necessary economic, social and technical research and planning required for the renewal of an area.

The Federal Government may pay not only one-half the cost of preparing a scheme, but one-half the cost of implementing it as well. Federal contributions may cover one-half the cost of acquisition and clearance of land, together with provision of municipal services and works other than buildings. Furthermore, loans may also be made to a province or a municipality to cover two-thirds of the provincial and municipal share of the costs of implementing an urban renewal scheme.

The requirement that there be a housing content in an urban renewal project, either before or after renewal, was removed so that blighted land may now be cleared and redeveloped for its most appropriate use.

The new legislation also authorizes the insuring of loans by approved NHA lenders to the owners of housing accommodation in designated urban renewal areas. Such loans may be used to buy, refinance,

sell or improve housing. The Corporation may make direct loans to owners who are unable to obtain the necessary financing from approved lenders. Standards have been established for judging the acceptability of the construction and of the repairs and improvements that might be made in such instances.

Urban Renewal Studies

The Corporation arranged in 1964 to assist the municipalities of Dartmouth, Eastview, Glace Bay, Preston and Prince Albert with studies of local housing conditions. Grants totalling \$66,785 were approved for this purpose. During 1963, six grants for \$151,950 were made.

Reports of studies undertaken by Edmonton, Hull, Preston, Sudbury, Trois Rivières, and the Cities of Fort William and Port Arthur in conjunction with the Municipalities of Neebing, Paipoonge and Shuniah were completed and published in 1964. Since 1955, 54 studies have been undertaken in communities throughout the country. (*CHS — Table 56*)

Preparation of Schemes

Four grants for the preparation of urban renewal schemes were approved during the year — two to the City of Hamilton for \$137,000 and two to the City of Vancouver for \$56,500.

Renewal Projects

During the year the Federal Government authorized a net contribution of \$117,000 to acquire and clear some 16 acres of land in the Rideau Heights area of the City of Kingston.

A net Federal contribution of \$4.0 million was approved to assist the City of Toronto with the acquisition and clearance of some 25 acres of the 70-acre Alexandra Park renewal area in the city's downtown. The overall project involves the clearance of a central block of 16 acres of land as well as several isolated pockets throughout the area. A programme of public and private rehabilitation will be undertaken in the remaining acres.

The City of Vancouver obtained a net Federal contribution of \$2.0 million to acquire and clear 28.5 acres of land in three separate areas totalling some 64 acres located in the east end of downtown Vancouver.

A net Federal contribution of \$4.4 million was approved for the City of Hamilton to acquire and clear approximately 30 acres of land and to undertake an extensive municipal works and services programme in the overall 270-acre north-end neighbourhood near Hamilton Harbour.

During 1963, net Federal contributions estimated at \$3.7 million were approved to assist the Cities of Halifax, Montreal and Ottawa to acquire and clear some 67 acres.

Cleared land in five projects was made available for private redevelopment in 1964. As a result, some 168 acres were disposed of with both freehold and leasehold arrangements being employed. About one acre will be developed for residential purposes, 26 acres for commercial purposes and 141 acres for industrial use.

PUBLIC HOUSING

Prior to the new legislation, public housing for rent to low-income families was built under Federal-Provincial Partnership arrangements at the request of a municipality. Capital costs were shared 75% by the Federal Government and 25% by the provincial partner. Operational deficits or surpluses were

shared by the participating governments on the same basis. Some provinces required the municipality concerned to finance all or part of the provincial share.

NHA public housing provisions were considerably broadened by the June, 1964 amendments. Federal-Provincial arrangements for the development of public housing were retained, but in amended form. It is now possible to construct hostel or dormitory accommodation and to purchase existing housing in any area for rehabilitation for rental to low-income families and individuals.

In addition, the Corporation was authorized to make 90% loans to provinces, municipalities or their agencies for the provision of public housing accommodation, existing or new, for low-income individuals or families. Here the Corporation may contribute up to 50% of operating losses.

The new terms make it possible for provinces or municipalities to own their own public housing projects by building or by purchasing or leasing dwellings from the existing stock. Moreover, the new legislation affords a greater degree of autonomy to local public housing agencies in the selection of the type of housing most suitable for local needs, whether this be in self-contained accommodation, hostels or dormitories.

Another of the 1964 legislative changes enables the Corporation to make loans to a province, a municipality or a public housing agency for the acquisition of land in advance of any commitment for, or loan on, a public housing project itself.

During 1964, approval was given for Federal-Provincial Partnership housing projects in Halifax, Hamilton, Oshawa, Swift Current and Vancouver. These will provide 790 dwelling units. During the previous year, 989 dwelling units were approved in 16 projects under partnership arrangements.

One project was approved during 1964 under the new public housing amendments. The Corporation was authorized to make a loan and to enter into a subsidy agreement with the Ontario Housing Corporation for the development of a 40-unit project for senior citizens in Hamilton.

Approximately 9,600 of the 12,674 public housing units approved to date are leased at rents related to the family income of the tenants. On these units an overall deficit is incurred of which the Federal Government's share in 1963, paid in 1964, was \$1.5 million. The remaining units are operated at fixed rents related to dwelling size and at levels sufficient to recover capital costs and to meet operating expenses.

Under arrangements with the Provinces of Nova Scotia and Prince Edward Island and their Housing Commissions, assistance may be given under the National Housing Act for co-operative house building. In 1964, projects were approved for 47 units in Nova Scotia. Since the inception of the programme in 1953, 1,202 units in 141 projects have been approved in Nova Scotia. Since 1960, 119 units in 13 projects were approved under similar arrangements in Prince Edward Island. (*CHS — Table 54*)

LAND ASSEMBLY

The National Housing Act makes provision on a Federal-Provincial Partnership basis for the assembly and servicing of land in areas where lack of services is hampering house construction. Capital costs and returns from the sale of lots are shared 75% by the Federal Government and 25% by the Province.

Two land assembly projects were approved in 1964 under Federal-Provincial Partnership agreements: Swift Current, 117 lots and Wawa, Ontario, 68 lots. In 1963 two projects were approved comprising 602 lots.

Since the inception of the programme in 1948, a total of 18,296 lots has been authorized for development. There were 974 lots placed in a sales position in 1964 and 732 were sold. This brought to 10,985 the total number of land assembly lots sold. (*CHS — Table 53*)

LOANS FOR UNIVERSITY HOUSING PROJECTS

The Corporation may make a loan to a university for a housing project under a 1960 amendment to the National Housing Act. This section of the Act was widened in 1964 to meet increasing demands from many universities for living accommodation in the form of self-contained housing units suitable for married students. The Corporation was authorized to make NHA loans to co-operative associations and charitable organizations, as well as universities and colleges, to assist in the construction, or acquisition and conversion, of housing for university students and married students and their families.

During the year, 22 loans for \$39.6 million were made to universities and colleges for the construction of accommodation for 7,308 resident students. In 1963, there were 33 loans to educational institutions for \$28.2 million to house 6,397 students.

This latest activity brought to 95 and to \$110.3 million the number and amount of university housing loans approved since the inception of the programme. The residences built to date will accommodate 22,374 students. (*CHS — Table 58*)

LOANS FOR SEWAGE TREATMENT PROJECTS

National Housing Act financing for sewage treatment projects, available under a 1960 amendment, continued to provide timely assistance to municipalities faced with problems of soil and water pollution because of a lack of servicing facilities.

In the 1964 amendments to the National Housing Act, the provision for partial debt cancellation of principal and interest relating to work completed was extended to March 31, 1967. This was the second two-year extension to the original terminal date of March 31, 1963. The amendment also provided for loans to provinces in addition to municipalities and municipal sewerage corporations.

A total of 220 loans was approved to 146 municipalities in an estimated amount of \$26.2 million for the construction or extension of sewage facilities. During 1963, 101 municipalities obtained 178 loans amounting to some \$35.9 million. Since the Act was amended in December, 1960 to provide for such loans, 752 have been approved in 540 municipalities for \$144.9 million. (*CHS — Table 60*)

HOME IMPROVEMENT LOANS

There was a decline in the volume of NHA guaranteed bank loans for home improvement purposes during 1964 with banks approving 19,800 loans in a total amount of \$36.0 million compared to 22,024 for \$36.7 million in 1963. Since the start of the Home Improvement Loan Programme in 1955, 272,145 loans have been approved to the end of 1964 amounting to \$348.2 million against which the Corporation's liability is \$15.9 million or 5% of total loans made. (*CHS — Table 31*)

The banks reported \$72.1 million as the outstanding debt on home improvement loans at the end of 1964 while the Home Improvement Loan Insurance Fund stood at \$2.8 million. Claims and legal expenses against the Insurance Fund paid to the banks during 1964 increased to \$415,330 from \$366,299 in 1963. Total claims and legal expenses paid to date amount to \$1,557,284 of which \$180,680 has been recovered by the Corporation.

MORTGAGE ADMINISTRATION

At the end of 1964, mortgage debt outstanding under the National Housing Acts amounted to \$5.7 billion, about one-third of all mortgage debt in Canada. The total increase was \$364 million compared to \$308 million in 1963; this resulted from relatively larger loan advances than repayments.

Most of the mortgage debt arising from the operations of the National Housing Acts, \$4.9 billion, represented insured loans originated under the 1954 Act. The remainder was debt arising from joint loan operations under the National Housing Acts prior to 1954, debt resulting from uninsured loans made by the Corporation and loans arising out of resale of Corporation-owned property.

With more than \$1.8 billion at the end of 1964, the Corporation continued to hold the largest single share of mortgage debt under the Housing Acts. A substantial part of these holdings resulted from the Corporation's direct lending programmes of 1957 and successive years. The life insurance companies together held \$2.0 billion of the debt and other approved lenders \$1.4 billion. The remainder of the mortgage debt amounting to \$536 million was held by Pension Funds and other purchasers on the secondary mortgage market.

Arrears, Defaults and Claims

While there was a slight increase in arrears in loan repayments in 1964, the number of properties acquired by lenders through foreclosure or other means declined. At the end of 1964, the number of accounts in arrears for three months and over totalled 2,512 compared to 2,347 the year before. Relative to the number of loans outstanding this represented an increase from 0.44% to 0.46%. For loans administered by approved lenders the proportion in arrears at the end of 1964 was 0.42%, while for loans administered by the Corporation the proportion was 0.56%. Both proportions were slightly higher than the previous year.

Default acquisitions from all National Housing Act sources continued at approximately the same rate as the previous year with a total of 1,704 units being acquired. These acquisitions represent 0.22% of NHA loans outstanding at the end of 1964.

In nearly all cases of default resulting in property acquisitions in 1964, the loans were insured and claims could be made against the Mortgage Insurance Fund. However, in 18 cases approved lenders preferred to hold or to dispose of the property rather than to make a claim against the Fund.

The Mortgage Insurance Fund paid out \$14.7 million against claims in 1964. This amount represented 0.30% of the \$4.9 billion of insured mortgages outstanding. By the end of 1964 claims against the Fund totalled 4,257 cases. This was 0.89% of the total of 476,304 insured loans approved since the insurance arrangements came into effect in 1954.

Mortgage Marketing

Initial sales of insured mortgages in 1964, including tender sales by the Corporation, amounted to \$150.2 million compared to \$129.1 million the previous year, a gain of 16.3%. Nearly one-half of the increase was in sales by the Corporation whose volume of loans sold rose from \$61.1 million to \$75.3 million. (CHS — Table 40)

The Corporation made four offerings by auction in 1964 to members of the Investment Dealers' Association of Canada and to those NHA approved lenders and correspondents who indicated an interest in reselling their mortgage acquisitions. The four offerings totalled \$140 million but sales were limited to \$100 million, the excess providing greater selectivity to prospective purchasers. Because of the postponement of the fourth auction bid from November to December, these sales became effective only at the beginning of 1965. Total sales by the Corporation to the end of 1964 amounted to \$227.8 million. This included the purchase of \$9.1 million of NHA mortgages by the Corporation's Pension Fund.

The prices at which mortgages were sold at the four auctions indicated that the estimated gross yield on 6% mortgages reached its peak at the first auction in February at 6.36%. It declined thereafter to

6.33% at the offering in May and to 6.12% at the auction in September. The yield rose again at the fourth auction to 6.27%. There was little change in the yield of 6½% mortgages which declined only slightly from 6.37% in May to 6.36% in September and returned to 6.37% in December. There was only one auction of 6¾% mortgages, in February. Prices received for these mortgages indicated an estimated average gross yield of 6.39%.

REAL ESTATE ADMINISTRATION

Houses under rental at the close of 1964 numbered 6,326. During the year, 727 houses were sold, in most cases to occupying tenants. Apartment units under administration increased to 5,349 units as the result of the acquisition during the year of 283 units through mortgagor default.

Combined rental revenue from all Corporation-owned houses and apartment units totalled \$8.6 million, equivalent to an average annual rental of \$726 per dwelling unit compared with \$691 per dwelling unit in 1963. At the end of the year, arrears amounted to 0.4% of annual rental revenue, compared with 0.2% in 1963.

Property expenditures, excluding office administration costs, amounted to \$10.6 million. Of this total, \$3.0 million was for maintenance and operating expenses, \$4.2 million for depreciation and interest charges and \$2.3 million for payments in lieu of property taxes. The remaining \$1.1 million was expended for planned modernization and improvement, primarily in apartment projects, to ensure a good standard of accommodation.

During 1964, the vacancy rate in Corporation-owned dwellings declined to 2.9% of the total units compared with 5.3% in 1963.

On behalf of the Mortgage Insurance Fund, the Corporation, at the end of 1964 also administered an additional 615 apartment units and 2,320 houses with a total asset valuation of \$23.0 million. During the year, 1,262 units were acquired and 1,032 were sold.

MUNICIPAL DEVELOPMENT AND LOAN ACT

During 1964, the Corporation continued to provide services to and perform certain advisory functions on behalf of the Municipal Development and Loan Board in the Provinces of Alberta, British Columbia, New Brunswick, Newfoundland, Nova Scotia and Prince Edward Island. In these provinces 257 loans were approved in 1964 for an estimated loan amount of \$50.7 million. Since the Board began to accept applications on November 1, 1963 a total of 263 loans for an estimated total of \$52.8 million has been approved in the six provinces where the Corporation acts on behalf of the Board.

In the remaining four provinces, and the Territories, where the Corporation is not involved in administration of the Municipal Development and Loan Act, there were 826 loans approved during 1964 for an estimated loan amount of \$150.2 million.

The Municipal Development and Loan Board was established in August, 1963 to provide loans to municipalities to augment or accelerate municipal capital works designed to promote increased employment. Of the \$400 million fund created at the time the Board was formed, \$203.2 million or 50.8% has been committed in loans in all parts of the country. (*CHS — Table 57*)

DESIGN AND CONSTRUCTION

Design and construction activities for housing, building and their related services, together with consulting services in the fields of architecture and planning, were again carried out by the Corporation on behalf of government agencies and Federal-Provincial Partnerships.



Demonstration houses at Abbots Langley, near London, England, designed and built by the Corporation for the Department of Trade and Commerce, Canada. Three exterior finishes are employed — board and batten, brick and stucco — to illustrate the flexibility of Canadian construction techniques.

To demonstrate Canadian timber frame techniques and to encourage the use of Canadian materials, the Corporation, at the request of the Department of Trade and Commerce, designed and supervised the construction of six semi-detached houses at three sites in the United Kingdom. The houses were built as a result of recommendations made by the Timber Housing Commission from Great Britain which visited Canada in June, 1963 under sponsorship of the Canadian Department of Trade and Commerce.

A building contract was awarded on May 5 to John Laing Construction Limited, one of Britain's biggest building firms. Two of the semi-detached, two-storey, three-bedroom houses were built in Edinburgh, two at Abbots Langley, Watford, near London and two at Up Holland, near Wigan, Lancashire. Corporation inspectors acted as on-site supervisors.

The construction timetable was deliberately stretched from mid-May to mid-September to afford the maximum opportunity for British builders, architects, engineers, local and other officials associated with housing in Britain to visit the sites during various stages of construction to examine the methods and materials used. During such visits, Corporation inspectors acted as technical advisers, explaining procedures and answering questions.

In co-operation with the Department of Trade and Commerce, the Corporation has undertaken to design a 175-unit medium-density housing project in Harlow, Essex, in the United Kingdom.

Construction of a 397-unit urban military housing project for the Department of National Defence at Dartmouth, Nova Scotia was virtually completed. In addition, design work was completed and a contract awarded for the construction of 300 units of permanent married quarters at Camp Gagetown, New Brunswick.

On behalf of the National Parks Branch of the Department of Northern Affairs and National Resources, the Corporation began a review of the Banff Land Use Code and a study of architectural and planning controls for the national parks.

A final report summarizing recommendations and explaining principles in the development planning for Hay River, N.W.T., was submitted to the Department of Northern Affairs and National Resources. A further report, together with revisions to the development plan and zoning ordinances for Fort Smith, N.W.T., was also prepared.

The Corporation continued to advise Atomic Energy of Canada Limited on the development of Pinawa, although its major responsibility for design and construction of the townsite was concluded early in the year. Buildings and services with a total value of \$6 million have been built at Pinawa under the Corporation's supervision.

Design work, in co-operation with architectural consultants, was well under way for the 309-unit Federal-Provincial public housing project at Thistletown, Ontario, and for the 376-unit Raymur Avenue project in Vancouver. Presentation of the 184-unit Uniacke Square project in Halifax was made to provincial and municipal officials during the year. Detailed design work is continuing. Design work was also started on the 211-unit Buckmaster's Field public housing project in St. John's, Newfoundland.

The Corporation continued to review plans for a variety of projects intended for NHA financing as a means of assisting in improving the quality of planning and design.

HOUSING RESEARCH AND COMMUNITY PLANNING

Expanding National Housing Act participation in the development of housing and the growth of Canadian municipalities was emphasized in 1964 by the maintenance of programmes in the fields of housing research and community planning.

In carrying out these responsibilities, the Corporation engages in studies of its own and also provides financial assistance to other organizations and individuals to undertake research into housing and community planning. In furthering these activities during 1964, the Corporation expended \$1.2 million on its own account and through arrangements with other agencies.

Technical Investigations

The fourth in a series of experimental research houses, partly sponsored by Corporation grants and built by the National House Builders Association with assistance from the National Research Council, was erected in 1964. Officially designated as the Mark IV, the project received a Federal grant of \$16,550. Experimental features include an all-wood basement, a specially modified and improved sewage disposal unit designed to eliminate the need for sewer lines from houses and radiation-processed wood on exterior parts of the house.

A further grant of \$21,380 was awarded to the Ontario Research Foundation to permit continuation during 1964 of full-scale field trials of the self-contained household purification units to improve upon methods of disposing of household sewage wastes.

Investigations into house building techniques and processes were again carried out in co-operation

with the National Research Council and other Government departments. A \$150,000 grant was made for this purpose.

Housing Design and Investigation

A grant of \$92,000 was approved for the Canadian Council on Urban and Regional Research to continue work begun in 1962 in response to the demands of many organizations and local governments for a thorough study of urban and regional problems in Canada.

An \$88,650 grant to the Community Planning Association of Canada and a grant of \$32,000 to the Canadian Housing Design Council were also approved in 1964 to enable these organizations to continue their work of public education in the fields of planning and house design.

Educational Grants

To encourage post-graduate studies and research work in housing, community planning and related subjects, the Corporation, during 1964 awarded six travelling scholarships to students in Canadian Schools of Architecture to examine residential design in Canada and the United States; 18 Planning Fellowships of \$1,500 each to students registered in five schools of planning in Canada; and three Housing Bursaries of \$1,200 each to assist students to undertake post-graduate studies in housing and urban development.

ORGANIZATION AND STAFF

Head office of the Corporation is in Ottawa. Fifty-five offices throughout Canada administer its varied activities.

There were important administrative changes during the year arising out of the death of Corporation President, Stewart Bates.

Mr. H. W. Hignett, M.B.E., formerly Vice-President, was appointed to succeed Dr. Bates.

Mr. Jean Lupien, a former Executive Director, was appointed Vice-President to succeed Mr. Hignett.

Although the volume of responsibilities increased substantially during the year, Corporation staff remained relatively constant at 2,055 compared with 2,037 at the end of 1963. The development of automation for the processing of a large volume of data, given special emphasis since 1962, was accelerated by the decision of the Board of Directors to acquire an electronic computer to replace the unit record equipment now in use.

A study was started in 1964 to forecast the Corporation's activities and the resultant staff and financial implications for the period 1965-1970.

The President and members of the Board of Directors wish to record their appreciation for the loyalty and diligence shown by all Corporation employees in the performance of their tasks.



Meeting room in NHA-financed student residence at Carleton University, Ottawa.

TIMMER

Auditors' Report

TO THE MINISTER RESPONSIBLE TO PARLIAMENT FOR
CENTRAL MORTGAGE AND HOUSING CORPORATION:

We have examined the attached financial statements of Central Mortgage and Housing Corporation for the year ended December 31 1964 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we have considered necessary in the circumstances.

In our opinion, proper books of account have been kept and the transactions of the Corporation that have come under our notice have been within the powers of the Corporation.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the Corporation, the attached financial statements are properly drawn up so as to exhibit a true and fair view of the state of the affairs of the Corporation as at December 31 1964 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

 C.A.

of the firm
Samson, Bélair, Côté,
Lacroix et Associés

 F.C.A.

of the firm
Price Waterhouse & Co.

Ottawa, February 18 1965

CENTRAL MORTGAGE
BALANCE SHEET
(with comparative figures)

ASSETS

	1964	1963
CASH	\$ 7,462,008	\$ 6,951,353
GOVERNMENT OF CANADA SHORT TERM SECURITIES, at cost, including accrued interest		6,487,886
ACCOUNTS RECEIVABLE:		
Due from the Minister	2,685,350	2,569,077
Other	878,871	872,812
OTHER ASSETS	1,865,055	2,111,361
LOANS — Statement IV	1,856,196,158	1,652,881,762
INVESTMENT UNDER FEDERAL-PROVINCIAL AGREEMENTS — Statement VI	114,588,290	108,461,319
REAL ESTATE — Statement V	64,693,253	67,478,510
AGREEMENTS FOR SALE AND MORTGAGES, arising from sales of real estate, including \$428,155 accrued interest	92,704,351	96,963,766
BUSINESS PREMISES, OFFICE FURNITURE AND EQUIPMENT, at cost, less \$3,034,059 accumulated depreciation	2,587,827	2,662,958
	<u>2,143,661,163</u>	<u>1,947,440,804</u>
ASSETS OF THE INSURANCE AND GUARANTEE FUNDS — Statement VIII	137,272,434	122,440,058
	<u>\$ 2,280,933,597</u>	<u>\$ 2,069,880,862</u>

LIABILITIES

	1964	1963
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:		
Due to the Receiver General:		
Income Tax	\$ 2,113,169	\$ 2,451,981
Excess in Reserve Fund	8,644,850	10,115,466
Other	3,807,982	4,438,957
DEPOSITS, CONTRACTORS' HOLDBACKS AND DEFERRED INCOME .	6,827,995	7,254,176
BORROWINGS FROM THE GOVERNMENT		
OF CANADA — Statement VII	2,053,981,636	1,850,947,593
UNREALIZED PROFITS ON SALES of Real Estate	38,285,531	42,232,631
RESERVE FUND — Statement III	5,000,000	5,000,000
CAPITAL — Authorized and fully paid by the		
Government of Canada	25,000,000	25,000,000
	2,143,661,163	1,947,440,804
RESERVES OF THE INSURANCE AND		
GUARANTEE FUNDS — Statement VIII	137,272,434	122,440,058
	\$ 2,280,933,597	\$ 2,069,880,862

W. A. McDougall

President

C. D. Armitage

Chief Accountant

CENTRAL MORTGAGE
STATEMENT
FOR THE YEAR EN
(with compa

LOANS:

Interest earned from borrowers
Interest charged by the Government of Canada

FEDERAL-PROVINCIAL AGREEMENTS:

Interest earned from Housing Authorities and Municipalities
Interest charged by the Government of Canada

AGREEMENTS FOR SALE AND MORTGAGES:

Interest earned from purchasers
Interest charged by the Government of Canada

REAL ESTATE — CORPORATION OWNED:

Rental revenue from tenants
Maintenance and other property expense, including \$2,136,908 interest
charged by the Government of Canada.

APPLICATION FEES EARNED ON INSURED MORTGAGE LOANS.

FEES EARNED FOR SERVICES TO GOVERNMENT DEPARTMENTS

INTEREST EARNED — GOVERNMENT OF CANADA SHORT TERM SECURITIES

OTHER INCOME

LESS:

ADMINISTRATIVE SALARIES AND EXPENSES
LOSSES ON INSURED CORPORATION LOANS

NET INCOME BEFORE INCOME TAX

INCOME TAX

NET INCOME, transferred to Reserve Fund.

NOTES:

Depreciation:

Real Estate
Office Buildings held for Corporation use.
Office Furniture and Equipment
Administrative Salaries and Expenses include:
Directors' Fees
Directors' Expenses
Executive Salaries
Legal Fees and Expenses

RESERVE
FOR THE YEAR EN
(with compa

Balance, January 1
Net income for the year
Profits realized on sales of properties acquired without cost
from the Government of Canada

Income tax reassessment for the years 1959 to 1963

Excess over statutory limitation, transferred to the credit of the Receiver General

Balance, December 31

ISING CORPORATION

INCOME

EMBER 31 1964

es for 1963)

Statement II

1964		1963	
\$ 100,030,229		\$ 90,106,692	
80,328,548	\$ 19,701,681	71,945,750	\$ 18,160,942
4,627,662		4,245,734	
4,384,553	243,109	4,039,840	205,894
5,118,285		5,267,462	
1,106,348	4,011,937	1,094,206	4,173,256
8,702,213		8,534,023	
10,710,292	(2,008,079)	10,725,771	(2,191,748)
	2,064,861		1,818,571
	592,714		603,560
	272,249		832,844
	521,822		471,103
	25,400,294		24,074,422
14,599,145		13,391,698	
154,345	14,753,490	218,732	13,610,430
	10,646,804		10,463,992
	5,645,000		5,236,000
	\$ 5,001,804		\$ 5,227,992

1964	1963
\$ 2,051,462	\$ 2,092,064
107,126	113,077
106,780	98,964
6,000	4,000
5,522	2,092
44,720	45,000
19,943	9,348

D

EMBER 31 1964

es for 1963)

Statement III

1964	1963
\$ 5,000,000	\$ 5,000,000
5,001,804	5,227,992
5,007,331	4,887,474
15,009,135	15,115,466
1,364,285	
13,644,850	15,115,466
8,644,850	10,115,466
\$ 5,000,000	\$ 5,000,000

Statement IV

LOANS

	1964		1963	
	Number of loans	Value	Number of loans	Value
Uninsured Loans:				
Made jointly with Lending Institutions (NHA 1944) — Corporation's share	86,007	\$ 97,620,310	94,008	\$ 116,302,978
Homeowners (NHA 1944)	4,363	21,494,653	4,722	24,288,914
Limited-Dividend Housing Companies	397	186,633,919	363	178,339,511
Rental Guarantee Contracts	551	60,679,019	559	63,197,963
Primary Industry Housing	10	2,350,012	12	3,469,092
University Housing	73	54,031,846	49	33,279,560
Municipal Sewage Treatment Projects	518	74,326,154	356	52,574,515
Insured Loans:				
Made directly by the Corporation	106,048	1,137,616,650	90,890	954,794,386
Made by agents of the Corporation	18,919	207,828,709	19,286	217,669,576
Purchased from Approved Lenders	314	2,954,384		
Accrued interest		10,660,502		8,965,267
	<u>217,200</u>	<u>\$1,856,196,158</u>	<u>210,245</u>	<u>\$1,652,881,762</u>

Statement V

REAL ESTATE

	Dwelling units	Cost	1964	Net book value	1963
			Accumulated depreciation		Net book value
Constructed by the Corporation or acquired from the Government of Canada:					
Single houses	5,613	\$38,306,102	\$11,699,713	\$26,606,389	\$30,001,707
Multiple dwellings	623	4,400,857	2,168,754	2,232,103	2,355,368
Acquired as a result of default:					
Single houses	683	5,829,907	1,138,279	4,691,628	4,818,518
Multiple dwellings	4,680	36,699,627	5,995,938	30,703,689	29,890,413
Other		504,402	44,958	459,444	412,504
	<u>11,599</u>	<u>\$85,740,895</u>	<u>\$21,047,642</u>	<u>\$64,693,253</u>	<u>\$67,478,510</u>

Statement VI

INVESTMENT UNDER FEDERAL-PROVINCIAL AGREEMENTS

	1964	1963
Rental Housing Projects	\$ 92,763,811	\$ 88,228,000
Land Assembly Projects	11,753,089	9,983,725
Advances to Municipalities repayable by instalments	5,148,453	5,528,388
Current accounts with Provincial Governments	1,779,992	2,042,332
Advances and current accounts with Municipalities and Housing Authorities	3,042,910	2,576,426
Accrued interest	100,035	102,448
	<u>\$114,588,290</u>	<u>\$108,461,319</u>

Statement VII

BORROWINGS FROM THE GOVERNMENT OF CANADA

	December 31 1963	Borrowed 1964	Repaid 1964	December 31 1964
For Loans	\$1,648,140,551	\$ 281,500,000	\$ 80,960,864	\$ 1,848,679,687
For Investment under Federal-Provincial Agreements	107,392,117	8,500,000	3,333,245	112,558,872
For Real Estate	81,985,929		3,660,049	78,325,880
	1,837,518,597	<u>\$ 290,000,000</u>	<u>\$ 87,954,158</u>	2,039,564,439
Accrued interest	13,428,996			14,417,197
	<u>\$1,850,947,593</u>			<u>\$ 2,053,981,636</u>

INSURANCE AND GUARANTEE FUNDS

Statement VIII

ASSETS

MORTGAGE INSURANCE FUND

RESERVES

	1964	1963		1964	1963
Cash	\$ 242,440	\$ (71,024)	Balance, January 1	\$ 115,866,845	\$ 102,032,320
Securities issued or guaranteed by the Government of Canada, at amortized cost, including \$1,254,848 accrued interest	85,927,540	83,238,626	Add:		
			Fees	12,063,480	9,868,797
Mortgages arising from sales of real estate, including \$109,776 accrued interest	21,481,113	11,056,455	Income from securities less loss on sales	3,861,979	3,772,725
Real estate at Elliot Lake, at estimated realizable value (1963 at cost less recoveries under guarantees)	7,555,800	9,049,397	Income from mortgages	1,015,949	505,986
Other real estate, at lower of cost or estimated realizable value	15,399,452	12,593,391	Real estate acquired on claims	14,731,488	13,943,882
	\$ 130,606,345	\$ 115,866,845		147,539,741	130,123,710
			Deduct:		
			Claims paid and legal expenses	14,731,488	13,943,882
			Loss on operation and disposal of real estate	200,659	24,715
			Allowance for revaluation of real estate	2,001,249	288,268
				16,933,396	14,256,865
			Balance, December 31	\$ 130,606,345	\$ 115,866,845
Insurance in force December 31 1964			\$4,934,000,000		
Claims in process for payment December 31 1964			2,012,000		

HOME IMPROVEMENT LOAN INSURANCE FUND

	1964	1963		1964	1963
Cash	\$ 30,064	\$ (1,244)	Balance, January 1	\$ 2,639,760	\$ 2,481,364
Securities issued or guaranteed by the Government of Canada, at amortized cost, including \$37,085 accrued interest	2,686,903	2,630,154	Add:		
			Fees	356,193	369,239
Mortgages arising from sales of real estate, including \$62 accrued interest	16,785	10,850	Income from securities and profit on sales	121,097	117,766
Real estate, at cost	30,908		Income from mortgages	694	726
			Recoveries on claims paid	62,909	37,049
	\$ 2,764,660	\$ 2,639,760		3,180,653	3,006,144
			Deduct:		
			Claims paid and legal expenses	415,330	366,299
			Loss on operation and disposal of real estate	663	85
				415,993	366,384
			Balance, December 31	\$ 2,764,660	\$ 2,639,760
Insurance in force December 31 1964			\$ 15,863,000		
Claims in process for payment December 31 1964			40,000		

RENTAL GUARANTEE FUND

	1964	1963		1964	1963
Cash	\$ 31,189	\$ (96,911)	Balance, January 1	\$ 3,933,453	\$ 3,916,532
Securities issued or guaranteed by the Government of Canada, at amortized cost, including \$52,303 accrued interest	3,870,240	4,030,364	Add:		
			Premiums	359,936	361,817
			Income from securities and profit on sales	187,348	179,681
			Other income	6,310	20,426
	\$ 3,901,429	\$ 3,933,453		4,487,047	4,478,456
			Deduct:		
			Claims paid and legal expenses	585,618	545,003
			Balance, December 31	\$ 3,901,429	\$ 3,933,453
Current rentals covered by guarantee December 31 1964			\$ 14,630,000		
Claims in process for payment December 31 1964			Nil		
TOTAL ASSETS	\$ 137,272,434	\$ 122,440,058	TOTAL RESERVES	\$ 137,272,434	\$ 122,440,058

4 Legislation and Policy

LEGISLATION

The National Housing Act was amended on June 18, 1964 as follows:

There was a greater measure of assistance to provinces and municipalities to redevelop and rehabilitate urban renewal areas in accordance with an official plan. The Corporation was authorized to:

- continue making contributions towards urban renewal studies;
- remove the restriction that Federal assistance be available only in areas with a housing content before or after clearance;
- pay half the cost to a province or municipality of preparing an urban renewal scheme;
- pay half the cost to a province or municipality of implementing an urban renewal scheme;
- lend a province or municipality two-thirds of their share of the cost of implementing an urban renewal scheme.

Existing legislation governing Federal-Provincial public housing developments was extended. The Corporation was authorized to:

- continue to pay 75% of capital costs and any operating losses of public housing projects undertaken under a partnership agreement with a province;
- permit construction of hostel or dormitory accommodation;
- allow the purchase and rehabilitation of existing housing in any area.

As an alternative way to produce public housing, the Corporation was authorized to:

- make 90% loans to provinces, municipalities or their agencies for the provision of public housing accommodation, existing or new, for low-income families or individuals;
- contribute up to 50% of operating losses on such accommodation.

There was also an additional provision for a programme of land acquisition and servicing for public housing purposes in advance of the development of a project itself. The new legislation provides for loans of up to 90% for this purpose.

A new section was added to the provisions of the Act to provide for 90% loans to non-profit companies for housing projects, either used or new, for low-income persons or families otherwise unable to find suitable accommodation at rents they can afford to pay. The Corporation can now make loans to such companies to finance projects comprising not only self-contained units, but hostels, dormitories or any combination of them.

The Corporation was authorized to insure loans made by approved lenders and to make direct loans for existing housing in approved urban renewal areas.

The Corporation was authorized to make loans to co-operative associations and charitable corporations as well as universities and colleges to assist in the construction or acquisition and conversion of accommodation for university students and their families. The maximum amount that may be paid out of the Consolidated Revenue Fund for this purpose was increased to \$150 million from \$100 million.

The Corporation was authorized to make loans to provinces as well as municipalities to assist in the construction or expansion of sewage treatment projects. The date for forgiveness of 25% of the principal and accrued interest was extended from March 31, 1965, to March 31, 1967.

The maximum charge on the Consolidated Revenue Fund for direct lending by the Corporation was increased to \$2.5 billion from \$2.0 billion.

Institutions buying and marketing NHA mortgages were provided with a source of short-term credit during the marketing period to avoid forced sales from their mortgage portfolios. A special fund of \$100 million was set aside for this purpose.

There was an increase in the period during which interest at the mortgage interest rate may be paid to an insured lender filing a claim on the Mortgage Insurance Fund and an increase in the acquisition fee from \$150 to \$250.

PRINCIPAL POLICY CHANGES

On July 24, it was announced that any builder could apply for one or two direct loans from the Corporation to permit construction of display houses as an aid in attracting buyers. The program closed October 1.

On September 11, the Corporation was authorized to make loans to merchant builders until December 31 without regard to the pre-sale requirements that are the usual condition of Corporation builders' loans.

Central Mortgage and Housing Corporation

Central Mortgage and Housing Corporation is a Federal Crown Corporation incorporated by Act of Parliament in 1945 (R.S.C. 1952, c. 46). Under this Act, the National Housing Act, 1954, and earlier Housing Acts, the Corporation is empowered to:

Insure mortgage loans made by banks, life insurance, trust and loan companies and other approved lenders on new housing and existing homes in urban renewal areas;	NHA Sections 6, 23D, 7
Make mortgage loans to borrowers unable to obtain insured loans from private lenders on new housing and existing homes in urban renewal areas;	NHA Section 40
Make mortgage loans to limited-dividend and non-profit housing companies on low-rental housing projects;	NHA Sections 16 and 16A
Make loans to universities, co-operative associations and charitable corporations to assist in providing accommodation for resident university students and married students and their families;	NHA Section 36B
Make loans to provinces, municipalities or municipal sewerage corporations to assist in the construction or expansion of sewage treatment projects for the control of water and soil pollution;	NHA Section 36I
Provide insurance to banks on loans made for home improvement and guarantee returns from moderate-rental housing projects built by life insurance companies and private investors;	NHA Sections 14, 15, 24, 25, 30
Buy and sell insured mortgage loans, make loans to mortgage lenders on the security of mortgages and purchase the debentures of lending institutions;	NHA Section 11 CMHC Act Section 28
Assist provinces and municipalities to redevelop and rehabilitate urban renewal areas in accordance with an official plan;	NHA Section 23
Make long-term loans to provinces, municipalities or their agencies for the construction or acquisition of housing projects plus grants to aid in meeting operating losses; make loans for the acquisition of land for public housing projects; arrange under a Federal-Provincial Partnership agreement to build and operate public housing projects and assemble land for residential purposes;	NHA Sections 35A, 35B, 35D, 35I
Construct, own and manage housing projects on its own account and on behalf of Federal Government departments and agencies;	NHA Section 37 CMHC Act Section 29
Encourage the development of better housing and sound community planning and, in carrying out this responsibility, to undertake or arrange for studies and research on the technical, economic and social aspects of housing.	NHA Sections 31, 32, 33

Board of Directors

*H. W. HIGNETT, M.B.E.,
President and Chairman of the Board

*JEAN LUPIEN,
Vice-President

R. B. BRYCE,
Ottawa

MRS. MARGARET CAMPBELL, Q.C.,
Toronto

**LOUIS DE G. GIGUÈRE,
Montréal

*DR. A. F. LAIDLAW,
Ottawa

DONALD A. S. LANSKAIL,
West Vancouver

*J. F. PARKINSON,
Ottawa

R. G. ROBERTSON,
Ottawa

N. ZUNIC,
St. Boniface

**Member of the Executive Committee*

***Alternate Member of the Executive Committee*

Conseil d'administration

*H. W. HIGNETT, M.B.E.,
Président de la Société et du Conseil

*JEAN LUPIEN,
Vice-président

R. B. BRYCE,
Ottawa

MADAME MARGARET CAMPBELL, c.r.,
Toronto

**LOUIS DE G. GIGUÈRE,
Montréal

*A. F. LAIDLAW,
Ottawa

DONALD A. S. LANSKAIL,
West Vancouver

*J. F. PARKINSON,
Ottawa

R. G. ROBERTSON,
Ottawa

N. ZUNIC,
St-Boniface

**Membre du Comité exécutif*

***Membre substitut du Comité exécutif*

Siège social / Head Office

Ottawa, Canada

Bureaux régionaux / Regional Offices

Halifax

Montréal

Toronto

Winnipeg

Vancouver

Bureaux locaux / Local Offices

Fredericton, Gander, Halifax, Moncton, Saint John,
St. John's.

Chicoutimi, Hull, Montréal, Québec, Rimouski,
St-Lambert, Sherbrooke, Trois-Rivières, Val-d'Or,
Sept-Îles.

Barrie, Elliot Lake, Fort William, Hamilton, Kingston,
Kitchener, London, North Bay, Oshawa, Ottawa,
Peterborough, St. Catharines, Sarnia, Sault Ste. Marie,
Scarborough, Sudbury, Timmins, Toronto, Windsor.

Calgary, Edmonton, Grande Prairie, Lethbridge, Red
Deer, Regina, Saskatoon, Winnipeg.

Dawson Creek, Kelowna, New Westminster, Prince
George, Trail, Vancouver, Victoria.

Société centrale d'hypothèques et de logement

La Société centrale d'hypothèques et de logement est une compagnie de la Couronne fédérale, constituée en corporation par une Loi du Parlement, en 1945 (S.R.C. 1952, chap. 46). Aux termes de cette Loi, de la Loi nationale de 1954 sur l'habitation et des lois antérieures sur l'habitation, la Société a le pouvoir

D'assurer des prêts hypothécaires consentis par les banques, les compagnies d'assurance sur la vie, les compagnies de fiducie et de prêts et d'autres prêteurs agréés pour la construction de logements et pour des logements existants dans des secteurs de rénovation urbaine;

De consentir des prêts hypothécaires aux emprunteurs qui ne peuvent obtenir un prêt assuré des prêteurs particuliers pour la construction de logements et pour des logements existants dans des secteurs de rénovation urbaine;

De consentir des prêts hypothécaires aux compagnies à dividendes limités et aux corporations sans but lucratif pour la construction de logements à bas loyer;

De consentir des prêts aux universités, aux associations coopératives et aux corporations de charité en vue d'aider à fournir des facilités de logement aux étudiants des universités et à leur famille;

De consentir des prêts aux provinces, aux municipalités ou aux corporations municipales de système d'égout pour leur aider à construire ou agrandir des projets d'épuration des eaux-vannes, en vue d'entrayer la pollution des eaux et des sols;

De donner une assurance aux banques à l'égard des prêts consentis pour l'amélioration de maisons, et de garantir aux compagnies d'assurance sur la vie et aux particuliers qui investissent des capitaux, un revenu sur les projets de logements à loyer modique qu'ils construisent;

D'acheter et vendre des prêts hypothécaires assurés, de consentir des prêts aux prêteurs hypothécaires sur garantie d'hypothèques et d'acheter les obligations des institutions prêteuses;

D'aider aux provinces et aux municipalités à réaménager et à restaurer suivant un plan officiel, certains secteurs choisis à des fins de rénovation urbaine;

De consentir des prêts à long terme aux provinces, aux municipalités ou à un organisme de celles-ci pour la construction ou l'acquisition de projets de logements et de leur verser des subventions pour leur aider à payer les pertes d'exploitation; de consentir des prêts pour l'acquisition de terrains à des fins de logement public; enfin, de s'associer au gouvernement d'une province et de conclure une entente avec lui en vue de construire et d'exploiter des projets de logement public et d'aménager des terrains à des fins de construction résidentielle;

De construire, posséder et administrer des projets de logements pour son propre compte et pour le compte de ministères et d'organismes du gouvernement fédéral; D'encourager la réalisation de meilleurs logements et d'un urbanisme bien pensé et, en s'acquittant de cette responsabilité, d'entreprendre ou de faire faire des études et des recherches sur les aspects techniques, économiques et sociaux du logement.

LNH
Article 37
Loi SCHL
Article 29
LNH

LNH
Articles 35A, 35B, 35D, 35F

LNH
Article 28

LNH
Article 11
Loi SCHL

LNH
Articles 14, 15, 24, 25, 30

LNH
Article 36f

LNH
Articles 16 et 16A

LNH
Article 40

LNH
Articles 6, 23D

Voici les modifications apportées à la Loi nationale sur l'habitation le 18 juin 1964 :

- On a prévu une aide financière accrue aux provinces et aux municipalités pour le réaménagement et la restauration des secteurs de rénovation urbaine conformement à un plan officiel. La Société a été autorisée :
- à abolir la restriction suivant laquelle l'aide du gouvernement fédéral n'était disponible que dans les secteurs comprenant un certain pourcentage de logements avant ou après le débâtement;
 - à payer la moitié de ce que coûte à une municipalité la préparation d'un programme de rénovation urbaine;
 - à payer la moitié de ce que coûte à une province ou à une municipalité la mise à exécution d'un programme de rénovation urbaine;
 - à prêter à une province ou à une municipalité les deux tiers de leur part du coût de mise à exécution d'un programme de rénovation urbaine;
- On a également agrandi les cadres de la législation régissant la construction de logements publics par le gouvernement fédéral associé à celui d'une province. La Société a été autorisée :
- à continuer à payer 75 p. 100 des coûts en immobilisations et de toutes les pertes découlant de l'exploitation de logements publics réalisés en vertu d'une entente passée entre le gouvernement fédéral et celui d'une province;
 - à permettre la construction de logements du type foyer ou pension;
 - à permettre l'achat et la restauration de logements existants dans un secteur.
- Comme autre moyen de procurer des logements publics, la Société a été autorisée :
- à consentir des prêts de 90 p. 100 aux provinces, aux municipalités ou à des organismes de celles-ci pour procurer des logements publics existants ou neufs aux familles et aux particuliers à faible revenu;
 - à payer jusqu'à 50 p. 100 des pertes résultant de l'exploitation de ces logements.

Les modifications comprennent aussi une disposition supplémentaire relative à un programme d'acquisition de terrains et à l'aménagement des services sur ceux-ci à des fins de logements publics avant que les projets eux-mêmes soient aménagés. À cette fin, la nouvelle législation prévoit des prêts s'élevant jusqu'à 90 p. 100 du coût.

Un nouvel article ajouté à la Loi prévoit le consentement de prêts de 90 p. 100 à des compagnies sans but lucratif afin de procurer des logements usagés ou neufs à des personnes ou à des familles à faible revenu qui sont incapables de trouver autrement un logement convenable à un foyer qu'elles peuvent se permettre de payer. La Société peut maintenant consentir des prêts à des compagnies de ce genre pour financer des projets qui comprennent non seulement des logements complets, mais aussi des logements du type foyer ou pension ou encore une combinaison de ceux-ci.

La Société a été autorisée à assurer des prêts consentis par les prêteurs agréés et à accorder elle-même des prêts pour des logements existants dans des secteurs approuvés de rénovation urbaine.

La Société a été autorisée à consentir des prêts à des associations coopératives et à des corporations de charité ainsi qu'aux universités et aux collèges pour aider à la construction de logements ou à l'acquisition de bâtiments existants et à leur transfert même le Fonds du revenu consolidé a été porté de 100 millions à 150 millions de dollars.

La Société a été autorisée à consentir des prêts aux provinces comme aux municipalités afin d'aider à la construction ou à l'agrandissement de projets d'épuration des eaux-vannes. On a reculé du 31 mars 1965 au 31 mars 1967 la date limite prévue pour la renonciation à 25 p. 100 du principal et de l'intérêt couru.

Le montant maximum imputé au Fonds du revenu consolidé à l'égard des prêts directs consentis par la Société a été porté de 2.0 milliards à 2.5 milliards de dollars.

On a placé à la disposition des institutions qui achètent et vendent des prêts hypothécaires L.N.H. une source de crédit à court terme durant la période de marché, afin d'éviter que ces institutions soient forcées de vendre des hypothèques qui font partie de leur propre portefeuille. Un fonds spécial de 100 millions de dollars a été réservé à cette fin.

On a prolongé la période durant laquelle l'intérêt au taux stipulé dans l'hypothèque peut être payé à un prêteur agréé qui présente une réclamation au Fonds d'assurance hypothécaire; on a aussi augmenté le droit d'acquisition de \$150 à \$250.

PRINCIPAUX CHANGEMENTS DE POLITIQUE

Le 24 juillet, on a annoncé que tout constructeur pourrait demander à la Société un ou deux prêts directs pour lui permettre de construire des maisons modèles en vue d'attirer davantage les acheteurs. Ce programme a pris fin le 1er octobre.

Le 11 septembre, la Société a été autorisée à consentir des prêts aux constructeurs-marchands, sans tenir compte des exigences suivant lesquelles les maisons en question devaient être vendues d'avance; cette exigence était la condition habituelle du consentement de ces prêts aux constructeurs. Ce programme a pris fin le 31 décembre.

RÉSERVES

FONDS D'ASSURANCE ET DE GARANTIE

ACTIF

1964	1963		1964	1963	
Encaisse	\$ 242,440	\$ (71,024)	Assurance en vigueur le 31 décembre 1964	\$4,934,000,000	2,012,000
Obligations émises ou garanties par le gouvernement du Canada, au coût amorti, y compris \$1,254,848 d'intérêt couru	85,927,540	83,238,626	Revenu des obligations moins les pertes sur disposition	12,063,480	9,868,797
Hypothèques résultant de ventes de propriétés, y compris \$109,776 d'intérêt couru	21,481,113	11,056,455	Revenu des hypothèques	1,015,949	505,986
Immeubles situés à Elliot Lake, à la valeur estimée de réalisation (en 1963 au prix coûtant moins les recouvrements)	7,555,800	9,049,397	Revenu des obligations et profits sur disposition	14,731,488	13,943,882
Autres immeubles, au plus bas du prix coûtant ou de la valeur estimée de réalisation	15,399,452	12,593,391	Perte d'exploitation et à la vente d'immeubles	200,659	24,715
			Provision pour réévaluation des immeubles	2,001,249	288,268
			Revenus,	16,933,396	14,256,865
			Soide le 31 décembre	\$130,606,345	\$115,866,845

FONDS D'ASSURANCE DES PRÊTS POUR L'AMÉLIORATION DE MAISONS

1964	1963		1964	1963	
Encaisse	\$ 30,064	\$ (1,244)	Assurance en vigueur le 31 décembre 1964	\$ 15,863,000	40,000
Obligations émises ou garanties par le gouvernement du Canada, au coût amorti, y compris \$37,085 d'intérêt couru	2,686,903	2,630,154	Revenu des obligations et profits sur disposition	415,330	366,299
Hypothèques résultant des ventes de propriétés, y compris \$62 d'intérêt couru	16,785	10,850	Revenu des hypothèques	62,909	37,049
Immeubles, au prix coûtant	30,908		Revenus,	3,180,653	3,006,144
			Déduire:		
			Réclamations payées et frais juridiques	415,993	366,384
			Perte d'exploitation et à la vente d'immeubles	663	85
			Soide le 31 décembre	\$ 2,764,660	\$ 2,639,760

FONDS DE GARANTIE DE LOYER

1964	1963		1964	1963	
Encaisse	\$ 31,189	\$ (96,111)	Assurance en vigueur le 31 décembre 1964	\$ 14,630,000	Néant
Obligations émises ou garanties par le gouvernement du Canada, au coût amorti, y compris \$52,303 d'intérêt couru	3,870,240	4,030,364	Revenu des obligations et profits sur disposition	187,348	179,681
			Revenus,	6,310	20,426
			Déduire:		
			Réclamations payées et frais juridiques	585,618	545,003
			Soide le 31 décembre	\$ 3,901,429	\$ 3,933,453

TOTAL DE L'ACTIF

\$137,272,434

\$122,440,058

TOTAL DES RÉSERVES

\$137,272,434

\$122,440,058

1964

1963

Prêts non assurés :	Nombre de prêts	Valeur	Nombre de prêts	Valeur
Consentis conjointement avec des institutions	86,007	\$ 97,620,310	94,008	\$ 116,302,978
Autres	4,363	21,494,653	4,722	24,288,914
Prêts assurés :	397	186,633,919	363	178,339,511
Autres	551	60,679,019	559	63,197,963
Prêts garantis par la Société	106,048	1,137,616,650	90,890	954,794,386
Consentis par des agents de la Société	18,919	207,828,709	19,286	217,669,576
Autres	314	2,954,384	8,965,267	\$1,652,881,762
Intérêt couru	217,200	\$1,856,196,158	210,245	

IMMEUBLES

Unités de logement	Prix	Amortissement accumulé	Valeur nette	Valeur nette aux livres
11,599	\$85,740,895	\$21,047,642	\$64,693,253	\$67,478,510
683	5,829,907	1,138,279	4,691,628	4,818,518
4,680	36,699,627	5,995,938	30,703,689	29,890,413
5,613	\$38,306,102	\$11,699,713	\$26,606,389	\$30,001,707
623	4,400,857	2,168,754	2,232,103	2,355,368
Propriétés acquises par suite de défaut :				
Maisons multifamiliales				
Maisons unifamiliales				
Maisons multifamiliales				
Autres				

PLACEMENTS EN VERTU D'ENTENTES PROVINCIALES

Projets de logements à louer	\$ 92,763,811	1964	\$ 88,228,000	1963
Projets d'aménagement de terrain	11,753,089		9,983,725	
Avances aux municipalités, remboursements par versements	5,148,453		5,528,388	
Comptes courants : gouvernements provinciaux	1,779,992		2,042,332	
Avances et comptes courants : municipalités et commissions de logement	3,042,910		2,576,426	
Intérêt couru	100,035		102,448	
	\$114,588,290		\$108,461,319	

EMPRUNTS AU GOUVERNEMENT DU CANADA

le 31 décembre 1963	Emprunt en 1964	Remboursé en 1964	le 31 décembre 1964
\$1,648,140,551	\$ 281,500,000	\$80,960,864	\$1,848,679,687
107,392,117	8,500,000	3,333,245	112,558,872
81,985,929		3,660,049	78,325,880
1,837,518,597	\$ 290,000,000	\$87,954,158	2,039,564,439
13,428,996			14,417,197
\$1,850,947,593			\$2,053,981,636

\$ 5,000,000	1964	\$ 5,000,000
5,001,804		
5,007,331		
15,009,135		
1,364,285		
13,644,850		
8,644,850		
\$ 5,000,000		

(1963) *parafis pour*

31 DÉCEMBRE 1964

SERVE

1963	\$ 5,000,000
5,227,992	4,887,474
15,115,466	15,115,466
10,115,466	\$ 5,000,000

25

\$100,030,229	80,328,548
4,627,662	4,384,553
5,118,285	1,106,348
8,702,213	10,710,292
14,599,145	154,345

1964

(1963) *paratis pour*

31 DÉCEMBRE 1964

TENU NET

1963		1964	
\$19,701,681	\$90,106,692	\$13,391,698	\$2,092,064
243,109	4,245,734	13,610,430	4,000
4,011,937	5,267,462	10,463,992	2,092
	1,094,206	5,236,000	45,000
	8,534,023		9,348
(2,008,079)	10,725,771		
2,064,861			
592,714			
272,249			
521,822			
25,400,294			
14,753,490			
10,646,804			
5,645,000			
\$ 5,001,804			

1963

1964

États II

Etat III

PRÊTS:
Intérêt gagné des emprunteurs Intérêt débite par le gouvernement du Canada
ENTENTES FÉDÉRALES-PROVINCIALES:
Intérêt gagné des commissions de logement et des municipalités Intérêt débite par le gouvernement du Canada
CONVENTIONS DE VENTE ET HYPOTHÈQUES:
Intérêt gagné des acheteurs Intérêt débite par le gouvernement du Canada
IMMEUBLES — APPARTENANT À LA SOCIÉTÉ:
Revenu-loyer Entretien et autres frais d'exploitation des propriétés, y compris
\$2,136,908 d'intérêt débite par le gouvernement du Canada
DROITS DE DEMANDE GAGNÉS SUR LES PRÊTS HYPOTHÉCAIRES ASSURÉS
FRAIS IMPUTÉS À DIFFÉRENTS MINISTÈRES
INTÉRÊT GAGNÉ — TITRES À COURT TERME DU GOUVERNEMENT DU CANADA
AUTRES REVENUS

MOINS:
SALAIRES ET FRAIS D'ADMINISTRATION PERTES SUR PRÊTS ASSURÉS
REVENU NET AVANT IMPÔT SUR LE REVENU
IMPÔT SUR LE REVENU
REVENU NET, viré au fonds de réserve

NOTES:

Amortissement:
Immeubles Immeubles à bureaux à l'usage de la Société
Mobilier de bureau et équipement
Les salaires et frais d'administration comprennent:
Les honoraires des directeurs Les frais des directeurs
Les salaires de l'exécutif Les honoraires et frais juridiques

Soide le 1er janvier Revenu net pour l'année Profits réalisés sur les ventes de propriétés acquises à titre gratuit
du gouvernement du Canada
Nouvelles cotisations d'impôt pour les années 1959 à 1963

Excédent sur la limite statutaire, viré au crédit du receveur général
Soide le 31 décembre

PASSIF		1964		1963	
COMPTES À PAYER ET PASSIF COURU:					
Du au receveur général:					
	Impôt sur le revenu	2,113,169	\$	2,451,981	\$
	Excédent du fonds de réserve	8,644,850		10,115,466	
	Autres	3,807,982		4,438,957	
DÉPÔTS, RETENUES D'ENTREPRENEURS ET REVENU À REPORTER					
		6,827,995		7,254,176	
EMPRUNTS AU GOUVERNEMENT DU CANADA — État VII					
		2,053,981,636		1,850,947,593	
PROFITS NON RÉALISÉS SUR VENTES D'IMMEUBLES					
		38,285,531		42,232,631	
FONDS DE RÉSERVE — État III					
		5,000,000		5,000,000	
CAPITAL — Autorisé et payé par le gouvernement du Canada					
		25,000,000		25,000,000	
		2,143,661,163		1,947,440,804	
		137,272,434		122,440,058	
		\$ 2,280,933,597		\$ 2,069,880,862	
RÉSERVES DES FONDS D'ASSURANCE ET DE GARANTIE — État VIII					

Président

Comptable en chef

ACTIF

1963	1964	
\$ 6,951,353	\$ 7,462,008	ENCAISSE
6,487,886		TITRES À COURT TERME DU GOUVERNEMENT DU CANADA, au prix coûtant, y compris l'intérêt couru.
2,569,077	2,685,350	COMPTES À RECEVOIR: Du par le ministre
872,812	878,871	Autres
2,111,361	1,865,055	AUTRES ACTIFS
1,652,881,762	1,856,196,158	PRÊTS — Etat IV
		PLACEMENTS EN VERTU D'ENTENTES FÉDÉRALES- PROVINCIALES — Etat VI
108,461,319	114,588,290	IMMEUBLES — Etat V
67,478,510	64,693,253	CONVENTIONS DE VENTE ET HYPOTHÈQUES, résultant de ventes d'immeubles, y compris \$428,155 d'intérêt couru
96,963,766	92,704,351	IMMEUBLES À L'USAGE DE LA SOCIÉTÉ, MOBILIER DE BUREAU ET ÉQUIPEMENT, au prix coûtant, moins \$3,034,059 d'amortissement accumulé
2,662,958	2,587,827	
1,947,440,804	2,143,661,163	
122,440,058	137,272,434	ACTIF DES FONDS D'ASSURANCE ET DE GARANTIE — Etat VIII .
\$ 2,069,880,862	\$ 2,280,933,597	

Rapport des vérificateurs

LA SOCIÉTÉ CENTRALE D'HYPOTHÈQUES ET DE LOGEMENT:
AU MINISTRE RÉPONDANT AU PARLEMENT DE

Nous avons examiné les états financiers ci-joints de la Société Centrale d'Hypothèques et de Logement pour l'année terminée le 31 décembre 1964 et nous avons obtenu tous les renseignements et explications demandés. Notre examen a comporté une revue générale des méthodes de comptabilité et tels sondages des livres et des pièces justificatives que nous avons jugés nécessaires dans les circonstances.

A notre avis, des livres de comptes adéquats ont été tenus et les opérations de la Société venues à notre connaissance étaient de la compétence de la Société.

À notre avis, au meilleur de notre connaissance, suivant les explications obtenues et tel que l'indiquent les livres de la Société, les états financiers ci-joints sont dressés de manière à présenter un aperçu juste et fidèle de la situation financière de la Société au 31 décembre 1964 et du résultat de ses opérations pour l'année terminée à cette date, suivant les principes comptables généralement acceptés et appliqués de la même manière qu'au cours de l'année précédente.

Maurice J. G. A.
F.C.A.A.

de la firme
Samson, Bélaire, Côté,
Lacroix et Associés
de la firme
Price Waterhouse & Co.

Ottawa, le 18 février 1965.

Uniacke Square à Halifax.



spécialement modifié et amélioré pour la dispersion des eaux-vannes, conçu de façon à éliminer le besoin de raccorderment d'égout de la maison à la conduite principale ainsi que l'emploi de bois traité par radiation pour certaines parties extérieures de la maison.

La Société a accordé une autre subvention de \$21,380 à l'"Ontario Research Foundation" afin de permettre à cet organisme de continuer au cours de 1964 sa série complète d'essais sur place des appareils ménagers complets autoupnificateurs en vue d'améliorer les méthodes de disposer des eaux-vannes domestiques.

La Société a poursuivi son programme de recherches sur les techniques et les méthodes de construction de maisons, en collaboration avec le Conseil national de recherches et d'autres ministères du gouvernement. Un octroi de \$150,000 a été accordé à cette fin.

Modèles de maisons et enquêtes

On a autorisé le paiement d'une subvention de \$92,000 au Conseil canadien des recherches urbaines et régionales pour permettre à cet organisme de continuer le travail commencé en 1962 en réponse aux demandes d'un grand nombre d'organismes et de gouvernements locaux qui désirent qu'on fasse une étude approfondie des problèmes urbains et régionaux au Canada.

La Société a aussi approuvé le versement d'une subvention de \$88,650 à l'Association canadienne d'urbanisme ainsi qu'une subvention de \$32,000 au Conseil canadien de l'habitation pour permettre à ces organismes de continuer leur travail d'éducation du public dans les domaines de l'urbanisme et des modèles de maisons.

Subventions aux fins d'éducation

Au cours de l'année 1964, la Société a accordé six bourses de voyage d'étude à des étudiants des écoles d'architecture du Canada afin de leur permettre d'examiner sur place un certain nombre de modèles de résidences au Canada et aux Etats-Unis; ces prêts ont pour objet d'encourager les études postsecondaires et les travaux de recherches sur l'habitation, l'urbanisme et les sujets connexes. Elle a aussi décerné 18 bourses en urbanisme, de \$1,500 chacune, à des étudiants inscrits dans les cinq écoles d'urbanisme du Canada, ainsi que trois autres bourses sur le logement, de \$1,200 chacune, afin d'aider à des étudiants d'université à entreprendre des études postsecondaires dans les domaines du logement et de l'aménagement urbain.

ORGANISATION ET PERSONNEL

Le siège social de la Société est à Ottawa. Cinquante-cinq bureaux répartis dans tout le Canada lui permettent d'exercer ses diverses formes d'activité.

Il s'est produit d'importants changements dans la direction de la Société au cours de l'année, par suite du décès du président, M. B.E., ancien vice-président, a été désigné pour succéder à M. Bates.

M. Jean Lupien, ancien directeur exécutif, a été nommé vice-président à la place de M. Hignett. Bien que le volume des attributions de la Société ait augmenté considérablement au cours de l'année, le personnel de la Société n'a pas augmenté sensiblement; il se chiffrait par 2,055 employés à la fin de 1964, comparativement à 2,037 à la fin de 1963. Le progrès de l'automatisation pour l'examen d'une grande partie des données, à laquelle on a accordé une attention toute particulière depuis 1962, a été accéléré par la décision du Conseil administratif de faire l'acquisition d'une calculatrice électronique pour remplacer l'outillage à carte unitaire présentement en usage.

Une étude a été commencée en 1964, en vue de prévoir les diverses formes d'activité de la Société ainsi que les besoins de personnel qui en résulteront et les conséquences financières pour la période de 1965 à 1970.

Le président et les membres du Conseil d'administration désirent exprimer leur appréciation de la loyauté et de la diligence manifestées par tous les employés dans l'accomplissement de leurs fonctions.

On a délibérément prolongé le programme d'exécution des travaux de la mi-mai à la mi-septembre, afin de fournir le maximum d'occasions aux constructeurs, architectes, ingénieurs, représentants officiels des localités, et autres personnes intéressées à l'habitation en Grande-Bretagne de visiter les emplacements durant divers stades de construction afin d'examiner les méthodes et les matériaux employés. Au cours de ces visites, les inspecteurs de la Société, qui ont joué le rôle de conseillers techniques, ont fourni des explications sur les procédés employés et ont répondu aux questions.

En collaboration avec le ministère du Commerce, la Société a entrepris de dresser les plans d'un projet d'habitations de densité moyenne comprenant 175 logements à Harlow, Essex, dans le Royaume-Uni.

La construction d'un projet d'habitations urbaines pour les militaires, qui comprend 397 unités, pour le compte du ministère de la Défense nationale à Dartmouth, en Nouvelle-Ecosse, a été presque terminée. De plus, les plans ont été terminés et un contrat a été accordé pour la construction de 300 logements destinés aux militaires marqués à Camp Gagetown, au Nouveau-Brunswick.

Agissant pour le compte de la Direction des parcs nationaux du ministère du Nord canadien et des Ressources nationales, la Société a commencé à étudier le code d'emploi du terrain à Banff et a étudié les réglementations visant l'architecture et l'aménagement des parcs nationaux.

Un rapport définitif résumant les recommandations et expliquant les principes du plan d'aménagement de Hay River, T.-N.-O., a été remis au ministère du Nord canadien et des Ressources nationales. La Société a aussi préparé un autre rapport ainsi que des révisions au plan d'aménagement et aux règlements de zonage pour Fort Smith, T.-N.-O.

La Société a continué de conseiller "Atomic Energy of Canada Limited" sur l'aménagement de Pinawa, bien que ses attributions principales portant sur les plans et la construction du townsite, aient pris fin au début de l'année. Des bâtiments ont été construits et des services ont été installés à Pinawa, moyennant un coût total de 6 millions de dollars, sous la surveillance de la Société.

La préparation des plans en collaboration avec les architectes-conseils était en bonne voie de réalisation en ce qui concerne le projet fédéral-provincial de logements publics qui doit comprendre 309 unités, à Thistletown, Ontario, et le projet de l'avenue Raymur qui doit comprendre 376 unités à Vancouver. Au cours de l'année, la Société a remis aux autorités provinciales et municipales le projet de "Uniaque Square" qui comprend 184 unités, à Halifax. Le travail relatif aux plans détaillés se poursuit. La Société a aussi commencé de dresser les plans du projet de logements publics de Buckmaster's Field qui doit comprendre 211 unités à St-Jean, Terre-Neuve.

La Société a continué d'examiner les plans d'une variété de projets qui doivent bénéficier d'une aide financière aux termes de la LNH en vue d'aider à améliorer la qualité des plans et l'aménagement des voisinages.

RECHERCHES SUR L'HABITATION ET L'URBANISME

L'aide pécuniaire accordée aux programmes établis pour poursuivre des recherches en matière d'habitation et d'urbanisme a fait ressortir en 1964, la participation accrue de la Société aux termes de la Loi nationale sur l'habitation, au développement de l'habitation et à l'accroissement des municipalités du Canada.

En s'acquittant de ces responsabilités, la Société se livre elle-même à des études et fournit aussi une aide financière à d'autres organismes et particuliers afin que ceux-ci entreprennent des recherches sur l'habitation et sur l'urbanisme. En poursuivant cette activité au cours de 1964, la Société a dépensé 1,2 million de dollars en travaux qu'elle a faits elle-même ou par suite d'arrangements pris avec d'autres organismes.

Enquêtes techniques

La quatrième d'une série de maisons de recherches expérimentales, patronnée en partie par des subventions de la Société et construite par l'Association nationale des constructeurs d'habitations, avec l'aide du Conseil national de recherches, a été édiflée en 1964. Ce projet auquel on donne officiellement le nom de Mark IV a bénéficié d'une subvention de \$16,550 du gouvernement fédéral. Les caractéristiques dont on fait présentement l'expérience comprennent en particulier un sous-sol complètement en bois, un appareil

ments administrés par la Société à augmenté jusqu'à 5,349 unités; au cours de l'année, la Société a fait l'acquisition de 283 logements par suite du défaut de paiement des débiteurs hypothécaires.

Le revenu-loyer provenant de toutes les propriétés appartenant à la Société s'est élevé à 8,6 millions de dollars; ce chiffre représente un loyer annuel moyen de \$726 par logement, au regard de \$691 en 1963. A la fin de l'année, les arriérés s'élevaient à 0,4 p. 100 du revenu-loyer annuel, comparativement à 0,2 p. 100 en 1963.

Le chiffre total des dépenses occasionnées par ces propriétés en 1964, les frais d'administration des bureaux non compris, s'est élevé à 10,6 millions de dollars. De ce montant, 3,0 millions représentaient des frais d'exploitation et d'entretien, 4,2 millions, la dépréciation et les frais d'intérêt et 2,3 millions, les paiements effectués à titre de taxes sur les propriétés. Le reste, soit 1,1 million a été affecté à la modernisation et à l'amélioration de ces propriétés suivant un plan établi afin d'en faire des logements de bonne qualité.

Au cours de 1964, le pourcentage des logements inoccupés appartenant à la Société a baissé à 2,9 p. 100 du total, comparativement à 5,3 p. 100 en 1963. A la fin de l'année, la Société administrait aussi pour le compte du Fonds d'assurance hypothécaire, 615 appartements et 2,320 maisons qui représentaient une valeur globale de 23,0 millions de dollars. Durant l'année, elle a fait l'acquisition de 1,262 logements et en a vendu 1,032.

LOI SUR LE DÉVELOPPEMENT ET LES PRÊTS MUNICIPAUX

Au cours de l'année 1964, la Société a continué à fournir certains services et à remplir certaines fonctions à titre consultatif pour le compte de l'Office du développement municipal et des prêts aux municipalités en Colombie-Britannique, dans l'Île-du-Prince-Édouard, au Nouveau-Brunswick, en Nouvelle-Ecosse et à Terre-Neuve. L'Office a approuvé 257 prêts dans ces provinces en 1964, ce qui représente une valeur globale de 50,7 millions de dollars. Depuis que l'Office a commencé à accepter les demandes de prêts, le 1er novembre 1963, on a approuvé au total 263 prêts d'une valeur estimative globale de 52,8 millions dans les six provinces où la Société agit pour le compte de l'Office. Dans les quatre autres provinces ainsi que dans les Territoires, où la Société n'a pas de rôle à jouer dans l'administration de la Loi sur le développement et les prêts municipaux, 826 prêts d'une valeur estimative de 150,2 millions de dollars ont été approuvés au cours de 1964. Au mois d'août 1963, l'Office du développement municipal et des prêts aux municipalités a été établi pour consentir des prêts aux municipalités en vue d'augmenter ou d'accélérer les travaux d'équipement des municipalités qui sont de nature à stimuler l'emploi au Canada. Du fonds de 400 millions de dollars créé à ce moment-là, l'Office a déjà engagé 203,2 millions, ou 50,8 p. 100, en prêts consentis dans toutes les parties du pays. (SLC — *Tableau 57*)

MODÈLES DE MAISONS ET CONSTRUCTION

La Société a poursuivi son activité en ce qui concerne la construction de maisons et de bâtiments connexes ainsi que l'installation des services essentiels; elle a aussi continué d'agir comme conseil en matière d'architecture et d'urbanisme, pour le compte d'autres organismes du gouvernement et des associations formées par le gouvernement fédéral et celui d'une province.

En vue de faire la démonstration des techniques de charpente en bois d'œuvre et d'encourager l'utilisation de matériaux canadiens, la Société, à la demande du ministère du Commerce, a dressé les plans et surveillé la construction de six maisons jumelées à trois endroits différents du Royaume-Uni. Ces maisons ont été construites à la suite des recommandations faites par la "Timber Housing Commission" de Grande-Bretagne, qui a visité le Canada en juin 1963, sous le patronage du ministère canadien du Commerce. Le 5 mai dernier, un contrat de construction a été accordé à la compagnie "John Laing Construction Limited". L'une des plus importantes compagnies de construction de la Grande-Bretagne. Deux de ces maisons jumelées à deux étages et à trois chambres ont été construites à Edinburgh, deux à Abbot Langley, Watford, près de Londres et deux à Up Holland, près de Wigan, Lancashire. Les inspecteurs de la Société ont surveillé la construction à pied d'œuvre.

Arrérages, défauts de paiement et réclamations

Alors qu'il s'est produit une légère augmentation des cas d'arrérages dans le remboursement des prêts en 1964, le nombre de propriétés que les prêteurs ont acquises par forclusion ou autrement, a diminué. A la fin de 1964, le nombre de cas d'arrérages de trois mois et plus s'élevait à 2,512 comparativement à 2,347, l'année précédente. Par rapport au nombre de prêts à recouvrer, ce chiffre représentait une hausse de 0,44 p. 100 à 0,46 p. 100. En ce qui concerne les prêts administrés par les prêteurs agréés, la proportion des cas d'arrérages à la fin de 1964 était de 0,42 p. 100; d'autre part, en ce qui concerne les prêts administrés par la Société, la proportion était de 0,56 p. 100; ces deux pourcentages marquent une légère augmentation par rapport à l'année précédente.

Le nombre de propriétés dont tous les prêteurs aux termes de la Loi nationale sur l'habitation ont repris possession par suite du défaut de remboursement des prêts est resté à peu près le même que celui de l'année précédente; il s'est chiffré en effet par 1,704. Ces propriétés représentaient 0,22 p. 100 des prêts LNH à recouvrer à la fin de l'année 1964.

Dans presque tous les cas de défaut de paiement qui ont entraîné la reprise de possession des propriétés en 1964, les prêts étaient assurés, de sorte qu'on a pu faire des réclamations au Fonds d'assurance hypothécaire. Cependant, dans 18 cas, le prêteur agréé a préféré garder la propriété ou en disposer plutôt que de faire une réclamation à ce Fonds.

La valeur totale des réclamations payées à même le Fonds d'assurance hypothécaire en 1964, s'est élevée à 14,7 millions de dollars. Ce chiffre équivalait à 0,30 p. 100 des 4,9 milliards de prêts hypothécaires assurés à recouvrer. A la fin de 1964, le nombre de réclamations faites au Fonds s'élevait à 4,257. Ce chiffre représente 0,89 p. 100 des 476,304 prêts assurés qui ont été approuvés depuis que les dispositions relatives à l'assurance sont entrées en vigueur en 1954.

Marché des hypothèques

La valeur des ventes initiales de prêts hypothécaires assurés en 1964, y compris les ventes effectuées par la Société au moyen de soumissions, s'est élevée à 150,2 millions de dollars comparativement à 129,1 millions l'année précédente, soit une augmentation de 16,3 p. 100. Près de la moitié de cette augmentation est attribuable aux ventes de prêts faites par la Société; en effet, le volume des prêts ainsi vendus est passé de 61,1 millions à 75,3 millions. (SIC — *Tableau 40*)

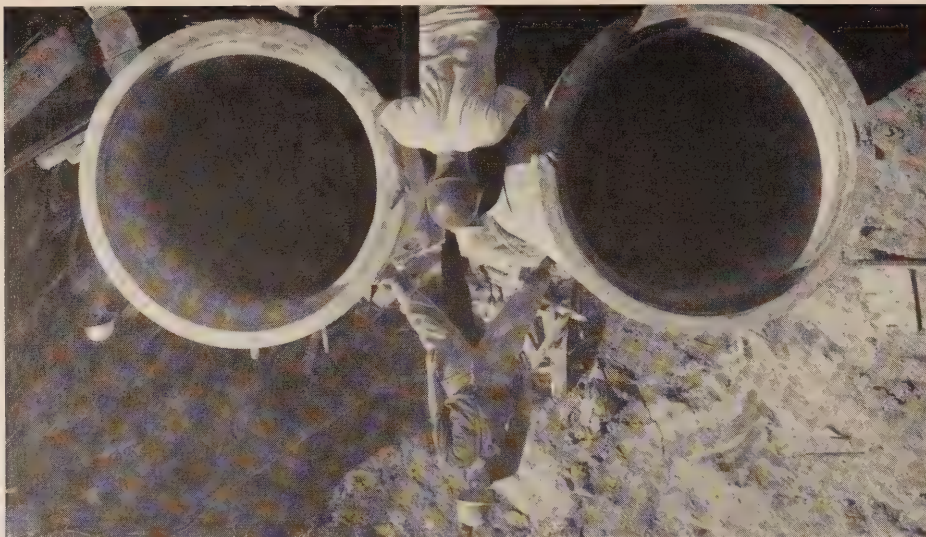
En 1964, la Société a fait quatre offres de vente à l'enchère aux membres de "The Investment Dealers' Association of Canada", aux prêteurs agréés et à leurs agents approuvés aux termes de la LNH, qui ont manifesté leur intérêt à revendre les prêts hypothécaires dont ils avaient fait l'acquisition. La valeur totale des hypothèques offertes en ces quatre occasions s'est élevée à 140 millions de dollars, mais les ventes ont été limitées à 100 millions. L'excédent fournissait aux acheteurs l'occasion de faire un meilleur choix. Etant donné qu'on a remis du mois de novembre au mois de décembre la quatrième mise en adjudication, ces ventes ne sont devenues effectives qu'au début de 1965. La valeur totale des ventes de prêts hypothécaires par la Société se chiffrait par 227,8 millions, à la fin de 1964. Ce montant comprenait l'achat d'hypothèques LNH d'une valeur de 9,1 millions par le Fonds de pension de la Société.

Les prix auxquels les prêts hypothécaires ont été vendus à l'occasion de ces quatre ventes à l'enchère ont indiqué que le rendement brut estimatif des hypothèques à 6 p. 100 ont atteint leur sommet lors de la première vente au mois de février, soit 6,36 p. 100. Il a diminué toutefois par la suite jusqu'à 6,33 p. 100 à l'occasion de la vente du mois de mai et jusqu'à 6,12 p. 100 à la vente du mois de septembre. Toutefois, lors de la quatrième vente à l'enchère, le rendement a augmenté de nouveau jusqu'à 6,27 p. 100. Il s'est produit peu de changement dans le rendement des hypothèques à 6 1/2 p. 100 qui n'a baissé que de 6,37 p. 100 au mois de mai à 6,36 p. 100 en septembre pour remonter à 6,37 p. 100 au mois de décembre. Il n'y a eu qu'une seule vente à l'enchère de prêts hypothécaires à 6 3/4 p. 100, soit au mois de février; les prix reçus pour cette catégorie de prêts hypothécaires ont indiqué un rendement brut estimatif moyen de 6,39 p. 100.

ADMINISTRATION DES IMMEUBLES

A la fin de l'année 1964, la Société avait 6,326 maisons à louer à administrer. Au cours de l'année, elle a vendu 727 maisons, dans la plupart des cas aux locataires qui les occupaient déjà. Le nombre d'apparte-

Projet d'épuration des eaux-vannes à Toronto.



La Société qui détenait à la fin de 1964 des valeurs immobilières de plus de 1.8 milliard de dollars, a continué d'être le plus gros créancier hypothécaire particulier, sous le régime des lois sur l'habitation. Une bonne partie de ces propriétés étaient le résultat des programmes de prêts directs établis par la Société en 1957 et au cours des années suivantes. Les compagnies d'assurance sur la vie détenaient ensemble 2.0 milliards de la dette et les autres prêteurs agréés 1.4 milliard. Les fonds de pension et d'autres acheteurs sur le marché secondaire des hypothèques détenaient le reste de la dette évalué à 536 millions.

et des prêts résultant de la vente de propriétés appartenant à la Société. La plus forte portion de la dette hypothécaire résultant des prêts consentis aux termes des lois nationales sur l'habitation, soit un montant de 4.9 milliards, était constituée de prêts assurés consentis en vertu de la Loi de 1954. Le reste représentait la dette résultant des prêts conjoints consentis sous le régime des lois nationales sur l'habitation avant 1954, la dette résultant des prêts non assurés consentis par la Société relativement plus élevé des avances versées par rapport aux sommes remboursées.

A la fin de l'année 1964, la dette hypothécaire à recouvrer en vertu des lois nationales sur l'habitation s'élevait à 5.7 milliards de dollars, soit près du tiers de la dette hypothécaire pour tout le Canada. L'augmentation totale a été de 364 millions comparativement à 308 millions en 1963, à cause du montant

ADMINISTRATION DES HYPOTHÈQUES

Les banques ont rapporté le chiffre de 72.1 millions de dollars de créances à recouvrer au compte des prêts pour l'amélioration de maisons à la fin de 1964; d'autre part, le Fonds d'assurance des prêts pour l'amélioration de maisons s'est maintenu à 2.8 millions. La valeur des réclamations et des frais légaux payés aux banques a même le Fonds d'assurance, est passée de \$366,299 en 1963 à \$415,330 en 1964. La valeur totale des réclamations et des frais légaux payés jusqu'à ce jour s'élève à \$1,557,284; de ce montant la Société a recouvré \$180,680.

(SLC — Tableau 31)
 La valeur de la dette hypothécaire, qui se limite à 5 p. 100 du total des prêts consentis, s'élève à 15.9 millions de dollars. 272,145 prêts ont été approuvés; la valeur de ces prêts a atteint le chiffre de 348.2 millions et la responsabilité de la Société, qui se limite à 5 p. 100 du total des prêts consentis, s'élève à 15.9 millions de dollars. Depuis le début du programme de prêts pour l'amélioration de maisons en 1954 jusqu'à la fin de 1964, globale de 36.0 millions de dollars comparativement à 22,024 prêts d'une valeur de 36.7 millions en 1963.

AMÉNAGEMENT DE TERRAIN

La Loi nationale sur l'habitation prévoit des ententes entre le gouvernement fédéral et le gouvernement d'une province en vue d'aménager du terrain et d'y installer des services dans les régions où l'absence de ces services entrave la construction de maisons. La répartition des coûts en immobilisations et des revenus provenant de la vente des terrains se fait à raison de 75 p. 100 et de 25 p. 100 entre le gouvernement fédéral et la province respectivement.

En 1964, deux projets d'aménagement de terrain ont été approuvés en vertu d'ententes passées entre le gouvernement fédéral et les provinces: à Swift Current, 117 terrains et à Wawa, Ontario, 68 terrains. En 1963, deux projets qui représentaient 602 terrains avaient été approuvés.

Depuis le début du programme en 1948, on a autorisé l'aménagement de 18,296 terrains au total. En 1964, 974 terrains ont été mis en vente, et 732 ont été vendus. Cela porte à 10,985 le nombre total de terrains aménagés qui ont été vendus. (SLC — *Tableau 53*)

PRÊTS POUR LOGER LES ÉTUDIANTS

La Société peut consentir un prêt à une université pour la réalisation d'un projet d'habitations, en vertu d'une modification apportée en 1960 à la Loi nationale sur l'habitation. Pour répondre aux exigences de plus en plus pressantes d'un grand nombre d'universités à l'égard de logements complets pour loger les étudiants mariés, les dispositions de la Loi ont été élargies en 1964. La Société a été autorisée à consentir des prêts aux termes de la LNH à des associations coopératives et à des corporations de charité ainsi qu'aux universités et aux collèges en vue d'aider à la construction de logements ou à l'acquisition de bâtiments existants et à leur transformation en habitations pour les étudiants des universités et pour la famille de ceux qui sont mariés.

Au cours de l'année, 22 prêts ayant une valeur globale de 39.6 millions de dollars ont été consentis à des collèges et à des universités pour la construction d'habitations devant servir à loger 7,308 étudiants. En 1963, 33 prêts d'une valeur de 28.2 millions ont été consentis à des maisons d'enseignement pour loger 6,397 étudiants.

Cette activité de l'année qui vient de s'écouler a porté à 95 et à 110.3 millions de dollars respectivement le nombre et la valeur des prêts pour la construction de logements d'étudiants qui ont été approuvés depuis le début du programme. Les résidences construites jusqu'à ce jour permettront de loger 22,374 étudiants. (SLC — *Tableau 58*)

PRÊTS POUR L'ÉPURATION DES EAUX-VANNES

L'aide financière prévue par la Loi nationale pour les projets d'épuration des eaux-vannes, qui a été rendue disponible en vertu d'une modification apportée à la Loi en 1960, a continué à rendre des services opportuns aux municipalités qui se voyaient en face de problèmes de pollution du sol et de l'eau à cause du manque d'installations nécessaires et suffisantes.

Dans les modifications de 1964 à la Loi nationale sur l'habitation, on a reculé jusqu'au 31 mars 1967, la date limite prévue pour la renonciation à une partie de la dette de principal et d'intérêt, compte tenu des travaux parachevés à cette date. C'était la seconde fois qu'on prolongeait de deux ans la date limite initiale fixée au 31 mars 1963. La récente modification prévoit aussi des prêts aux provinces en plus des prêts aux municipalités et aux corporations municipales de systèmes d'égout.

Au total, 220 prêts ont été approuvés en faveur de 146 municipalités pour la construction ou l'agrandissement d'installations d'égout; on estime à 26.2 millions de dollars la valeur de ces prêts. Au cours de 1963, 101 municipalités ont obtenu 178 prêts dont la valeur s'élevait à 35.9 millions. Depuis que la Loi a été modifiée au mois de décembre 1960 pour prévoir des prêts de ce genre, 752 prêts ont été approuvés dans 540 municipalités, ce qui représente une valeur globale de 144.9 millions. (SLC — *Tableau 60*)

PRÊTS POUR L'AMÉLIORATION DE MAISONS

On a constaté une baisse dans le volume des prêts garantis par les banques au termes de la LNH pour l'amélioration des maisons, au cours de 1964. Les banques ont en effet approuvé 19,800 prêts d'une valeur

ment. La Société a ainsi vendu ou loué à long terme 168 acres de terrain. Environ une acre sera aménagée à des fins résidentielles, 26 acres à des fins commerciales et 141 acres à des fins industrielles.

LOGEMENTS PUBLICS

Antérieurement à la nouvelle législation, on construisait, à la demande d'une municipalité, des logements publics pour les louer à des familles à faible revenu, en vertu d'ententes passées entre le gouvernement fédéral et le gouvernement d'une province. Le gouvernement fédéral payait 75 p. 100 du coût en immobilisations et la province en payait 25 p. 100. Le partage des déficits et des surplus découlant de l'exploitation de ces projets se faisait suivant le même pourcentage entre les gouvernements participants. Certaines provinces exigeaient que la municipalité en cause paie la totalité ou une partie de la part de la

Par suite des modifications apportées au mois de juin 1964, les dispositions de la LNH visant les logements publics ont été considérablement élargies. On a maintenant, quoique sous une forme modifiée, les arrangements entre le gouvernement fédéral et le gouvernement d'une province en vue de la construction de logements publics. En effet, il est maintenant possible de construire des logements du genre foyer ou pension et d'acheter des maisons existantes dans n'importe quel secteur d'une municipalité, pour les restaurer et les louer à des familles et à des particuliers à faible revenu.

La Société a de plus été autorisée à consentir des prêts de 90 p. 100 aux provinces, aux municipalités ou aux organismes de celles-ci en vue de procurer des logements publics à des particuliers ou à des familles à faible revenu. La Société est maintenant autorisée à payer jusqu'à 50 p. 100 des pertes résultant de l'exploitation de ces logements.

Les nouvelles dispositions permettent aux provinces ou aux municipalités d'avoir leurs propres ensembles de logements publics. Elles peuvent, à cette fin, acheter, louer ou construire des logements. De plus, la nouvelle législation accorde une plus grande autonomie aux organismes locaux de logement public pour déterminer si la localité a plus besoin de logements complets ou de logements du type foyer ou pension. Une autre des modifications apportées à la Loi en 1964 permet à la Société de consentir des prêts à une province, une municipalité ou un organisme de logement public pour l'acquisition de terrain avant que tout engagement ne soit pris ou que tout prêt ne soit consenti pour réaliser un projet de logements publics.

Au cours de l'année 1964, en vertu d'ententes passées entre le gouvernement fédéral et les provinces, la Société a approuvé la réalisation de projets d'habitations à Halifax, Hamilton, Oshawa, Swift Current et Vancouver, représentant au total 790 logements. L'année précédente, on avait approuvé la réalisation de 989 logements dans 16 projets différents en vertu de ces ententes. D'après les modifications relatives aux logements publics, on a approuvé un projet en 1964. On a en effet permis à la Société de consentir un prêt à l'"Ontario Housing Corporation" et de conclure une entente avec cet organisme en vue de l'aménagement d'un projet de 40 logements pour les citoyens âgés à Hamilton.

Environ 9,600 des 12,674 logements publics dont la construction a été approuvée jusqu'à ce jour sont loués à des loyers proportionnés au revenu familial des locataires. Dans le cas de ces logements, on accuse pour l'ensemble un déficit dont la part du gouvernement fédéral en 1963 a été de 1.5 million de dollars; cette somme a été payée en 1964. Les autres logements sont loués à des loyers fixes proportionnés aux dimensions des logements et à des montants suffisants pour payer le coût en immobilisations et les frais d'exploitation.

En vertu d'ententes conclues avec les provinces de la Nouvelle-Ecosse et de l'Île-du-Prince-Édouard, ainsi qu'avec les commissions de logement de ces provinces, la SCHL peut accorder une aide financière en vertu de la LNH pour construire des logements dits coopératifs. En 1964, la Société a approuvé des projets comprenant 47 logements construits en Nouvelle-Ecosse. Depuis le début de ce programme en 1953, la Société a approuvé la construction de 1,202 logements dans 141 projets entrepris en Nouvelle-Ecosse. Depuis 1960, 119 logements dans 13 projets ont été approuvés en vertu d'ententes semblables dans l'Île-du-Prince-Édouard. (SLC — *Tableau 54*)

De plus, la SCHL peut consentir des prêts à une province ou à une municipalité pour aider à payer les deux tiers des frais qui sont à la charge de la province et de la municipalité dans l'exécution d'un programme de rénovation urbaine.

On a également aboli l'exigence suivant laquelle il fallait autrefois qu'un projet de rénovation urbaine comprenne un certain pourcentage de résidences, avant ou après la rénovation; ainsi, on peut maintenant débayer et réaménager des zones et des secteurs en vue de les faire servir aux usages qui paraissent le plus appropriés.

La nouvelle législation autorise également la Société à assurer les prêts consentis par les prêteurs agréés, aux termes de la LNH, aux propriétaires de maisons situées dans les secteurs de rénovation urbaine. Des prêts de ce genre peuvent servir à acheter, réfinancer, vendre ou améliorer les propriétés en question. La Société peut consentir des prêts directement aux propriétaires qui ne peuvent pas obtenir des prêts agréés les fonds dont ils ont besoin. La Société a établi des normes pour juger l'acceptabilité d'une construction ainsi que des réparations et améliorations qu'on pourrait y effectuer dans ces cas.

Études sur la rénovation

Au cours de 1964, la Société a pris des mesures pour aider aux municipalités de Dartmouth, Eastview, Glace Bay, Preston et Prince Albert à entreprendre des études sur la situation du logement dans les limites de leur propre territoire. Des subventions d'une valeur globale de \$66,785 ont été approuvées à cette fin. Au cours de l'année 1963, six subventions d'une valeur totale de \$151,950 avaient été accordées.

Les rapports d'études entreprises par Edmonton, Hull, Preston, Sudbury, Trois-Rivières, ainsi que par les villes de Fort William et Port Arthur, de concert avec les municipalités de Neebing, Paipoonge et Shuniah ont été terminés et publiés en 1964. Depuis 1955, 54 études de ce genre ont été entreprises dans des collectivités de tout le pays. (SLC — *Tableau 56*)

Programmes de rénovation

Au cours de l'année, la Société a approuvé le versement de quatre subventions pour la préparation de programmes de rénovation urbaine — deux à la ville d'Hamilton, au montant total de \$137,000 et deux à la ville de Vancouver, d'une valeur de \$56,500.

Projets de rénovation

Au cours de l'année, le gouvernement fédéral a autorisé le versement d'une contribution nette de \$117,000 pour faire l'acquisition et entreprendre le débâlement d'environ 16 acres de terrain dans le secteur Rideau Heights de la ville de Kingston.

Une contribution nette du gouvernement fédéral, s'élevant à 4,0 millions de dollars, a aussi été approuvée pour aider la ville de Toronto à faire l'acquisition et entreprendre le débâlement d'environ 25 acres du secteur de rénovation Alexandra Park qui compte 70 acres, au centre de la ville. L'ensemble du projet comprend le débâlement d'un bloc central de 16 acres ainsi que le débâlement de plusieurs petites aires isolées dans le secteur. Le reste de cette aire fera l'objet d'un programme de restauration avec l'aide de fonds publics et privés.

La ville de Vancouver a bénéficié d'une contribution nette de 2,0 millions de dollars du gouvernement fédéral pour faire l'acquisition et entreprendre le débâlement de 28,5 acres de terrain dans trois secteurs différents, représentant au total environ 64 acres de terrain situé dans la partie est du centre-ville de Vancouver.

Une contribution nette de 4,4 millions de dollars du gouvernement fédéral a été approuvée en faveur de la ville d'Hamilton en vue de l'acquisition et du débâlement d'environ 30 acres de terrain; cette contribution devait aussi servir à entreprendre l'exécution d'un programme considérable d'ouvrages et de services municipaux dans le secteur nord qui couvre une aire de 270 acres, près du port d'Hamilton.

Au cours de l'année 1963, des contributions nettes du gouvernement fédéral, évaluées à 3,7 millions de dollars, avaient été approuvées pour aider les villes d'Halifax, Montréal et Ottawa à faire l'acquisition et entreprendre le débâlement d'environ 67 acres de terrain.

En 1964, le terrain débâlé dans cinq projets a été offert à l'entreprise privée à des fins de réaménagement-

Le gouvernement fédéral peut payer non seulement la moitié du coût de préparation d'un tel programme mais aussi la moitié du coût de sa mise à exécution. Les contributions du gouvernement fédéral peuvent servir à payer la moitié du coût d'acquisition et de déblaiement du terrain ainsi que l'installation des services et ouvrages municipaux autres que des bâtiments publics dans la zone de rénovation urbaine.

Par suite des modifications précitées, une province ou une municipalité peut aussi demander une subvention égale à 50 p. 100 afin de lui aider à préparer un programme de rénovation urbaine pour un secteur particulier qui est déjà délabré ou en voie de détérioration. Des programmes de ce genre ont pour objet de déterminer tout ce qu'il est nécessaire d'entreprendre en fait de recherches ou de planification

certains secteurs désignés de rénovation urbaine.

L'une des principales révisions de la Loi nationale sur l'habitation au cours de 1964 a consisté à offrir des formes nouvelles et supplémentaires d'aide financière dont pourraient profiter toutes les villes, grandes ou petites, du Canada à des fins de rénovation. La Société a été autorisée à verser des contributions financières en vue d'aider les provinces et les municipalités à restaurer aussi bien qu'à réaménager

L'expérience a démontré en effet que la rénovation urbaine est en réalité un terme collectif qui décrit en dernière analyse une municipalité. On a maintenant changé d'attitude à ce sujet.

Le processus ordonné de la reconstruction d'une ville ou d'une partie de celle-ci afin d'y améliorer les conditions de vie. La rénovation peut obliger à avoir recours à plus d'un procédé ; en effet, trois procédés différents — le réaménagement, la restauration et la conservation — peuvent être mis en œuvre séparément

Jusqu'à tout récemment, on rattachait habituellement au concept de démolition le concept de rénovation urbaine et en même temps la nature de l'aide consentie à cette fin par le gouvernement fédéral. La Société était autorisée à payer jusqu'à la moitié du coût d'acquisition et de déblaiement d'un secteur délabré ou

RENOVATION URBAINNE

RENOVATION URBAINE

Le volume des prêts consentis par les prêteurs agréés s'est stabilisé après un départ plutôt lent. Au cours de l'année, les prêteurs agréés ont accordé des prêts aux propriétaires-occupants et aux constructeurs pour la construction de 13,030 logements comparativement à 22,035 en 1963. Au cours de cette même période, ils ont consenti des prêts pour la construction de 13,929 logements à loyer au regard de 8,050 en 1963. (SLC — Tableaux 28, 29, 30)

Le volume des prêts consentis par les prêteurs agréés aux termes de la Loi nationale sur l'habitation a diminué de 10,4 p. 100: en effet ces prêts ont permis de construire 26,959 logements en 1964 comparativement à 30,085 logements en 1963. Le chiffre de 1964 comprend une augmentation de 73,0 p. 100 du volume des prêts consentis pour des logements à loyer et une baisse de 40,9 p. 100 du nombre des prêts consentis pour les propriétaires-occupants. L'année 1964 a été la troisième année consécutive au cours de laquelle il s'est produit une réduction du nombre de prêts hypothécaires assurés consentis par les prêteurs agréés aux termes de la LNH.

PRÊTS DES PRÊTEURS AGRÉÉS

Les prêts approuvés en 1964 ont procuré 155 logements à des familles à faible revenu et 1,08 logements à des personnes âgées. Ces chiffres se comparent à 1,11 logements pour des familles à faible revenu et à 983 pour des personnes âgées, dont on a approuvé la construction l'année précédente.

Au cours de l'année 1964, la Société a approuvé 44 prêts en faveur de compagnies à dividendes limités et de compagnies sans but lucratif, la valeur globale de ces prêts s'élève à 12.0 millions de dollars et représente 1,861 logements complets ainsi que des logements du type foyer pour 266 personnes. En 1963, quelque 36 prêts de ce genre ont été approuvés en faveur d'entrepreneurs et de corporations sans but lucratif pour la construction de 2,094 logements destinés aux personnes âgées et aux familles à faible revenu.

Les requérants des bons prévus par le programme d'encouragement de la construction de maisons en hiver, ont dû adresser leur demande de certificat directement aux bureaux de la Société au lieu de passer par le ministère du Travail comme cela s'était fait l'année précédente. La Société a continué de fournir les services d'inspection nécessaires au nom du ministère du Travail, pour les maisons construites en vertu de ce programme.

Le Comité associé sur le Code national du bâtiment, qui comprend des représentants de la Société, a terminé son travail en rapport avec les "Normes résidentielles". Ce manuel combine deux publications existantes — les normes de maisons et les normes d'appartements — et prescrit les normes à appliquer dans la construction de logements.

La Société a continué de faire des recherches sur le rendement de nouveaux matériaux, de nouvelles méthodes et de nouveaux outillages afin de déterminer s'ils convenaient pour la construction de maisons financées aux termes de la L.N.H. On a révisé également la méthode employée pour l'acceptation des matériaux de construction afin de laisser aux bureaux locaux de la Société plus de latitude pour déterminer l'acceptabilité de ces matériaux en fonction des normes prescrites. Certains matériaux continueront d'être examinés en vue de leur acceptation au siège social de la Société, à Ottawa.

Revenu net

Le revenu de la Société en 1964 a été de \$10,646,804. Compte tenu de l'impôt sur le revenu, le revenu net s'est élevé à 5,0 millions de dollars comparativement à 5,2 millions en 1963. Après avoir transféré ce montant au Fonds de réserve, y avoir ajouté 5,0 millions réalisés à la vente de propriétés acquises du gouvernement fédéral et en avoir déduit 1,4 million comme nouvelle cotisation d'impôt pour les années 1959 à 1963, la somme de 8,6 millions a été portée au crédit du receveur général.

PRÊTS DE LA SOCIÉTÉ

Au cours de l'année 1964, la Société a continué à consentir des prêts surtout pour la construction de maisons destinées aux propriétaires-occupants, bien que le volume des prêts consentis pour la construction de logements à louer ait augmenté des deux tiers par rapport à 1963. La Société a consenti la plus forte portion de ces prêts au cours du dernier trimestre de l'année, surtout à cause du programme d'encouragement de la construction de maisons en hiver établi par le gouvernement fédéral. Au cours des trois derniers mois de 1964, en effet, la Société a approuvé la construction de 16,378 logements.

Prêts aux propriétaires-occupants et aux constructeurs de logements à louer

La Société a consenti 25,254 prêts aux propriétaires et aux constructeurs, soit 15,0 p. 100 de plus que le chiffre de 21,953 calculé en 1963. Les prêts aux propriétaires-requérants représentaient 7,790 logements et les prêts aux constructeurs 17,464. Les chiffres correspondants pour l'année 1963 étaient 8,012 et 13,941. (SLC — Tableaux 28, 29, 30)

En 1964, la Société a approuvé des demandes de prêts pour la construction de 1,566 logements à louer comparativement à 562 en 1963. La plus grande partie de ces prêts ont été consentis dans les plus petits centres où le besoin de logements à louer s'est fait sentir et où les requérants n'ont pas pu obtenir des prêteurs agréés l'aide financière dont ils avaient besoin.

Prêts aux compagnies sans but lucratif et aux compagnies à dividendes limités

Parmi les modifications apportées à la Loi au mois de juin 1964, on a ajouté un nouvel article aux dispositions visant les prêts aux compagnies à dividendes limités; en vertu de cet article, la Société peut accorder des prêts pour aider à financer la construction ou la transformation de groupes de logements en vue de les louer à des particuliers et à des familles à faible revenu. La nouvelle législation prévoit des prêts de 90 p. 100 aux corporations sans but lucratif afin que celles-ci puissent aménager des groupes de logements, neufs ou transformés, à l'intention des personnes ou des familles à faible revenu qui sont incapables de trouver autrement un logement convenable. D'après cette révision, la SCHL peut consentir des prêts à des corporations sans but lucratif pour financer non seulement des logements complets mais aussi des logements du type foyer, pension ou une combinaison de ceux-ci.

2 Activité de la Société

Les fonctions administratives de la Société ont continué d'augmenter au cours de 1964. Cet accroissement d'activité a surtout résulté de l'expansion des programmes de prêts de la Société, par suite des modifications apportées à la Loi nationale sur l'habitation et des nouvelles attributions qu'on lui a confiées, notamment celle d'agent du ministère du Travail, dans l'application du programme d'encouragement de la construction de maisons en hiver. On a de plus apporté des changements importants aux lignes de conduite à suivre.

En 1964, la Société a consenti des prêts directs pour la construction de 28,681 logements, ce qui constitue une augmentation de 16,5 p. 100 par rapport au chiffre de 24,609 pour l'année 1963. Cette activité a été constituée surtout d'une augmentation de 15 p. 100 dans le nombre de prêts consentis à des propriétaires et à des constructeurs pour réaliser des maisons unifamiliales et d'une augmentation de 29 p. 100 dans le nombre de logements à louer. Le nombre de prêts assurés consentis par les prêteurs agréés aux termes de la LNH a diminué d'environ 10 p. 100. Cependant, si l'on considère l'ensemble, l'activité aux termes de la Loi nationale sur l'habitation a augmenté de 1,7 p. 100 en 1964, ce qui veut dire que 55,640 logements ont fait l'objet de prêts comparativement à 54,694 en 1963.

L'augmentation du volume de prêts consentis directement par la Société a été jusqu'à un certain point une conséquence de la réduction du volume de prêts consentis aux propriétaires-occupants par les prêteurs agréés; elle a découlé aussi en partie des changements apportés dans la ligne de conduite de la Société au cours des derniers mois de l'année, à l'appui du programme d'encouragement de la construction de maisons en hiver. Ainsi, au mois de juillet, on a permis aux constructeurs de demander à la Société un ou deux prêts pour leur permettre de construire des maisons modèles. Cette annonce a coïncidé avec la Semaine nationale de l'habitation et l'inauguration de plusieurs "salons de l'habitation" organisés dans certains centres par les constructeurs en vue d'attirer et d'intéresser les acheteurs. Au mois de septembre, la Société a été autorisée à consentir des prêts directs aux constructeurs sans que ceux-ci soient obligés d'avoir vendu d'avance ces maisons.

Le programme accru des prêts de la Société aux constructeurs pour la réalisation de maisons destinées aux propriétaires-occupants a pris fin le 31 décembre. Au cours des trois derniers mois de 1964, la Société a reçu des demandes correspondant à 14,040 unités de logement. L'année précédente, les demandes reçues au cours du quatrième trimestre avaient permis de construire 15,940 logements. Pendant une période de trois mois qui a pris fin le 1er octobre, des prêts ont été mis à la disposition des constructeurs pour la construction de maisons modèles. La Société a reçu des demandes pour construire 1,264 maisons de ce genre.

Au cours de l'année, la Société a modifié ses méthodes d'inspection aux termes de la LNH afin d'améliorer la qualité de ses services et aux constructeurs et de faciliter en même temps la continuité de la construction.



modifiée par rapport à 1963. Le volume des prêts directs consentis par la Société a été plus considérable qu'en 1963, grâce aux programmes de construction de maisons unifamiliales en hiver. On a constaté aussi une hausse sensible du volume de prêts directs consentis pour la construction d'appartements, particulièrement dans les plus petits centres. D'autre part, le volume de prêts consentis par les prêteurs agréés a été inférieur à celui de l'année 1963. Au total, le tiers de toutes les maisons mises en chantier en 1964 ont été financées en vertu de la Loi nationale sur l'habitation.

Les prêts consentis autrement qu'aux termes de la Loi nationale sur l'habitation ont permis de financer une forte portion du nombre accru de logements mis en chantier en 1964. Ces logements, dont le nombre est passé de 98,906 à 110,812 ont été financés en grande partie, en effet, par des prêts hypothécaires conventionnels consentis par des compagnies d'assurance sur la vie ainsi que par des compagnies de fiduciaire et de prêts. Cette augmentation peut se répartir entre tous les genres de logements, mais les prêts pour la construction de logements à loyer représentaient la plus forte portion.

Les changements les plus récents apportés à la Loi nationale sur l'habitation (voir Législation et politique — page 28) ont été proposés par le gouvernement fédéral au mois de mai dernier, approuvés par le Parlement et sanctionnés le 18 juin. Ces mesures constituent un autre pas en avant dans l'évolution des lois fédérales sur le logement; elles constituent aussi une preuve de la facilité d'adaptation de la Loi nationale sur l'habitation aux diverses époques et aux circonstances. En particulier, l'accent que l'on a mis sur la rénovation urbaine et les logements publics indique qu'on a pris conscience de deux questions problématiques de notre pays qui présentent le plus de difficultés — à savoir le besoin de produire plus de logements pour les familles et pour les personnes âgées dont le revenu est limité et de favoriser la rénovation des collectivités au Canada.

Les conséquences de ces modifications ont été le thème dominant d'une série de conférences organisées dans divers centres de tout le Canada à l'invitation de l'honorable John R. Nicholson, C.P., O.B.E., c.r., député et ministre fédéral chargé de répondre au Parlement de l'activité de la Société. Au cours de l'année 1964, des réunions de ce genre ont été tenues en Alberta, en Nouvelle-Ecosse, en Ontario et à Terre-Neuve. D'autres auront lieu en 1965. Ces rencontres auxquelles prennent part des représentants officiels élus et nommés de tous les niveaux de gouvernement fournissent aux participants une occasion de débiter sur la mise à exécution des plus récents changements apportés à la législation, surtout de ceux qui se rapportent à la rénovation urbaine et aux logements publics.

On prévoit que les nouvelles dispositions de la LNH produiront un effet décisif sur la question du logement au Canada au cours des années à venir. De plus, l'accroissement du volume de logements mis en chantier en 1964 a été accompagné d'une augmentation de la demande de logements. Comme il était indiqué dans le premier rapport du Conseil économique du Canada, le nombre net de ménages familiaux et non familiaux qui se forment va en augmentant et continuera ainsi dans les années à venir. La seconde moitié de la présente décennie devrait donc être marquée d'augmentations encore plus fortes du nombre de logements mis en chantier, surtout en ce qui concerne les logements à loyer.

La construction d'un plus grand nombre de logements à louer a été constatée dans tout le pays; en

effet, presque les deux tiers des régions métropolitaines et des grands centres urbains ont connu un accroissement de l'activité dans ce domaine. L'augmentation par rapport à l'année précédente a été la plus forte dans les grands centres urbains dont la population s'établit entre 30,000 et 100,000 âmes. Aussi la proportion des appartements et des logements en rangée qui ont été commencés par rapport au total des logements mis en chantier a dépassé 48 p. 100 en 1964. En 1961, cette proportion était de 30 p. 100 et en 1951 elle était de 15 p. 100.

La stabilité relative du volume de maisons unifamiliales et d'autres genres de logements destinés surtout à leur propriétaire, qui ont été mis en chantier, s'est maintenue en 1964. A la fin de l'année, les maisons unifamiliales commencées avaient atteint un total de 85,785 comparativement à 85,049 à la fin de 1963. La demande de logements a été plus que suffisante pour absorber le grand nombre de logements qui étaient en voie de construction à la fin de l'année, sans qu'il ne se produise une augmentation sensible des inventaires.

Les premiers et les derniers mois de l'année 1964 ont été les deux époques où l'on a mis en chantier la plus grande partie des maisons unifamiliales. Cela est attribuable surtout à l'effet produit par les programmes spécialement mis en œuvre pendant les mois d'hiver. Ces programmes comprenaient le renouvellement du programme d'encouragement de la construction de maisons en hiver qui prévoit le paiement d'une prime au premier propriétaire d'une maison construite en hiver; le renouvellement du programme de prêts directs de la Société aux constructeurs sans qu'on ait tenu compte de l'exigence habituelle suivant laquelle les maisons ainsi financées doivent être vendues d'avance; enfin, un programme de prêts aux constructeurs pour la construction de maisons modèles qui devaient leur aider à intéresser davantage les acheteurs.

Le programme d'encouragement de la construction de maisons en hiver, qui avait été établi à titre d'expérience, l'année précédente, a servi à procurer un volume accru d'emplois dans les métiers de la construction. Le nombre de logements pour lesquels on a approuvé le paiement d'une prime s'est élevé à 28,123 et la valeur globale de ces primes a atteint 14 millions de dollars en 1963-1964. Le programme de 1964-1965 a débuté le 16 novembre, soit deux semaines plus tôt que celui de l'année précédente. Il se terminera le 31 mars 1965. Des renseignements préliminaires indiquent que le programme de 1964-1965 connaîtra à peu près autant de succès que celui de l'année précédente.

L'augmentation du volume de construction en 1964 a été rendue possible grâce à une plus grande disponibilité de deniers hypothécaires provenant à la fois des institutions prêteuses et du gouvernement fédéral. D'une façon générale, toutes les sources de deniers hypothécaires ont pu disposer de sommes considérables aux fins de la construction d'habitations et tout a semblé indiquer, au cours de l'année, un relâchement des conditions auxquelles les emprunteurs pouvaient obtenir des prêts des prêteurs conventionnels. De plus, d'importantes innovations en ce qui concerne les prêts hypothécaires ont complété les pratiques traditionnelles observées sur le marché des prêts hypothécaires. Plus particulièrement, un certain nombre d'institutions prêteuses ont répondu à une demande de deniers hypothécaires pour la construction de résidences, au-delà de la limite de 66⅔ p. 100 de la valeur de la propriété, que la Loi leur permettait de prêter sur une première hypothèque. Elles se sont jointes à des compagnies nouvellement constituées pour consentir des prêts combinés de 83⅓ p. 100 sur première et deuxième hypothèque, garantis par des maisons unifamiliales et des duplex occupés par les propriétaires. Bien que le nombre réel de prêts consentis en vertu de cet arrangement ait été peu élevé au cours de l'année, les possibilités pour l'avenir sont grandes.

La construction de maisons en vertu de la Loi nationale sur l'habitation a augmenté d'une façon

I Le logement au Canada en 1964

La construction de logements a pris un essor sans précédent en 1964.

L'augmentation sensible du volume de construction d'appartements — pour la quatrième année consécutive — est une des principales causes de cette activité accrue. La construction de logements du type appartement, qui a atteint elle-même un nouveau sommet, illustre d'une façon éclatante les changements de tendance qui se sont produits dans la demande de logements.

D'autre part, le nombre de logements parachevés a aussi atteint un chiffre sans précédent, à cause du grand nombre de logements qui étaient en voie de construction au début de l'année. Au total, les sommes investies dans la construction de maisons en 1964, se sont élevées à 2.03 milliards de dollars, soit 18.3 p. 100 de plus qu'en 1963.

En dehors de la réalisation d'un programme record de construction, il faut signaler au cours de l'année 1964 l'approbation par le Parlement de nombreuses et importantes modifications à la Loi nationale sur l'habitation. Les revisions à la Loi sur l'habitation ont donné à celle-ci une nouvelle souplesse et une nouvelle fin, en lui permettant de jouer un rôle plus actif et plus utile dans la rénovation et le rajeunissement des villes de notre pays et de procurer des logements aux familles et aux particuliers à faible revenu. Compte tenu de toutes les sources de financement, le nombre de logements commencés s'est élevé à 165,658; ce chiffre constitue une augmentation de 11.5 p. 100 par rapport au total de 1963, qui était de 148,624, et est légèrement supérieur au record établi en 1958.

Les logements parachevés se sont chiffrés par 150,963 en 1964, ce qui est 17.8 p. 100 de plus que le chiffre de 128,191 pour l'année 1963 et 2.9 p. 100 de plus que le total atteint en 1958. Le nombre de logements en voie de construction à la fin de 1964 a atteint un total de 107,718 comparativement à 96,613 au début de l'année.

Alors que le nombre total de logements mis en chantier a augmenté de plus de 11 p. 100, la totalité de cette hausse résulte de la construction d'appartements et de logements en rangée, dont le volume a augmenté de 26 p. 100. Le nombre des maisons unifamiliales et des autres genres de logements est resté à peu près le même que celui de l'année précédente.

J. R. Nicholson

Le président,

L'expression de mes sentiments distingués.

Veuillez agréer, monsieur le Ministre,

ayant pris fin le 31 décembre 1964.

état des comptes de cet organisme pour l'année financière
Société centrale d'hypothèques et de logement ainsi qu'un
l'honneur de vous soumettre le 19e rapport annuel de la

Au nom du Conseil d'administration, j'ai

Monsieur le Ministre,

Ottawa, Canada

L'honorable J. R. Nicholson, C.P., O.B.E., c.r., député,

le 10 mars 1965

SOCIÉTÉ CENTRALE D'HYPOTHÈQUES ET DE LOGEMENT

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Le 13 mars 1964, l'honorable John R. Garland, C.P., député, qui comme ministre fédéral était chargé de répondre au Parlement de l'activité de la Société centrale d'hypothèques et de logement, est décédé subitement à l'âge de quarante-sept ans. M. Garland était député de Nipissing depuis 1949 et ministre du Revenu national depuis le mois d'avril 1963.

Deux mois plus tard, soit le 24 mai, le M. Stewart Bates, M.A., LL.D., A.I.R.A.C. (à titre honorifique), M. Bates avait été nommé à la direction de la Société en 1954, après avoir poursuivi une carrière remarquable comme économiste et professeur d'université au Royaume-Uni et au Canada et comme haut fonctionnaire à la fonction publique du Canada.



Rapport annuel 1964

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